

Amsterd.	Sch. 20	Indones.	Rp 3100	Philippine	Php 20
Bahama	Dm 0.50	Italy	Lira 1650	Portugal	Esc 100
Belgium	Bfr 45	Latvia	Ls 1000	S. Korea	Won 100
Canada	Cdn 50	Japan	Yen 1600	Singapore	S\$ 4.10
Czech	Czk 20	Malaysia	Mal 500	Sri Lanka	Rs 125
Denmark	Dkr 5.20	Norway	Nkr 500	Taiwan	Nt 200
Egypt	Egp 100	Poland	Zlot 1000	Thailand	Thb 50
Finland	Fmk 7.00	Romania	Lei 1000	USSR	Rub 100
France	Ffr 6.50	Soviet	Rub 1000	Yugoslavia	Din 100
Germany	Dm 2.20	Sweden	Skr 500		
Greece	Dr 80	Switzerland	Sfr 500		
Hong Kong	Hkd 10	Netherlands	Gld 100		
India	Rup 15	Norway	Nkr 500		

World news

Reagan to remove Polish sanctions

President Reagan is expected to announce today that the US is lifting its remaining economic sanctions against Poland in a symbolic show of support for the Communist regime's release of political prisoners and other reforms.

The Reagan Administration imposed sanctions against Poland in 1981 when the Polish Government declared martial law and banned the popular trade union movement, Solidarity.

The Polish Congress, a Polish-American organisation based in Washington, said that its leaders had been invited to a ceremony at the White House today at which President Reagan would formally lift the sanctions. Page 4

Beirut tank battles

Tank battles and rocket attacks intensified as Druse and Communist fighters sought to isolate Amal pockets in the war-torn Muslim half of Beirut. Page 4

Iraqi 'air attack'

Iraq said its aircraft had "accurately and effectively" hit a large naval target, Baghdad's usual term for an oil tanker or merchant ship, off the Iranian coast.

Mitterrand warning

French President Francois Mitterrand warned his country's right-wing Government against making a "major historical mistake" over its policy in New Caledonia. Page 2

Uganda plot charge

Ten people from eastern Uganda appeared in court charged with plotting to overthrow the Government of President Yoweri Museveni by force.

Libya executions

Libya televised six men being hanged and three soldiers being shot by firing squad in the first reported public executions in three years. The nine were accused of treason and various acts of sabotage.

Nuclear inspection

The Soviet Union has opened two more of its civilian nuclear facilities to safeguards inspection by the International Atomic Energy Agency, a spokesman for the Vienna-based agency said.

Critics threatened

Yugoslavia's Communist leadership has hit out once again at critics of its policies, threatening them with unspecified legal measures, the official Tanjug news agency said.

Palme killer inquiry

Sweden's biggest opposition party, the conservatives, called on Prime Minister Ingvar Carlsson to appear before a parliamentary committee to explain his intervention in the search for the killer of Olof Palme.

Craxi in crisis

Bettino Craxi, Italian Prime Minister, indicated that his Government was steering towards a severe internal crisis which was most likely to lead to early general elections. Page 2

Contra funds vote

The US Senate Foreign Relations Committee voted to cut off all US funding to the Contra rebels in Nicaragua, a step which Congress expects President Reagan to veto.

Aids inquiry

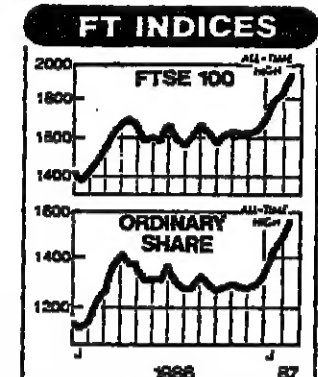
Aids victims who knowingly infect other people may face murder charges in Bavaria and one person is in custody pending investigations, the state Justice Minister said.

Business summary

Daf set to buy Leyland Trucks

ROVER GROUP: Government announcement on the future of the state-owned car and trucks group is expected soon amid growing speculation that control of Leyland Trucks will be sold to Daf of the Netherlands. Page 7

J. C. PENNEY, third biggest US retail store chain, has reported a 20 per cent rise in full-year earnings to \$478m, or \$8.37 a share, and announced plans to enter the fast-growing TV home shopping market. Page 17



LONDON share prices broke new ground for the third successive day on continued hopes of tax cuts and lower interest rates. The FT-SE 100 index was 10 higher at a record 1,852.0 and the FT Ordinary share index rose 2.7 to a peak of 1,553.0. Gilt-edged bonds closed off their highs. Page 36

TOKYO: Investors bought busily, encouraged by Wall Street's record on Tuesday, and share prices rose sharply almost across the board. The Nikkei average gained 243.53 to close at 19,861.78. Page 36

DOLLAR closed in New York at DM 1.3440, Sfr 1.5538, Ffr 6.1090 and Y153.90. It rose in London to DM 1.3285 (DM 1.3140); to Y153.75 (Y153.15); to Sfr 1.5470 (Sfr 1.5310); and to Ffr 6.09 (Ffr 6.0450). On Bank of England figures the dollar's exchange rate index rose to 104.3 (103.8). Page 29

STERLING closed in New York at \$1.5315. It fell in London to \$1.5320 (\$1.5325); but rose to DM 2.8025 (DM 2.7800); to Y235.50 (Y234.75); to Sfr 2.57 (Sfr 2.5450); and to Ffr 9.23 (Ffr 9.2050). The pound's exchange rate index rose 0.2 to 89.3. Page 29

WALL STREET: The Dow Jones industrial average closed up 0.14 at 2,327.68. Page 36

GOLD fell \$5 to \$390.25 on the London bullion market. It also fell in Zurich to \$390.35 (\$390.25). Page 28

REFAAT EL-SAYED, founder of Swedish drug firm Fermenta, will appeal against a court ruling ordering him to repay Sfr 570m (\$88m) he borrowed from a Swedish bank to buy Fermenta shares, his lawyers said.

LEAR SIEGLER, California conglomerate which recently went private through a \$2.1bn leveraged buy-out, has reported a second-quarter loss of \$65.51m and announced plans to sell several subsidiaries. Page 17

ATLAS COPCO, Swedish industrial, mining and construction equipment manufacturer, reported 11.8 per cent profits fall after financial items for 1986 on slightly increased sales. Page 17

BOUYGUES: The expanding empire of Francis Bouygues has retreated from confrontation with the Schneider group over the future of the Spie Batignolles construction company. Page 17

ITT, diversified US industrial and financial group, has reported a sharp rise in profits for the fourth quarter and year although the underlying performance was masked by special charges and gains. Page 17

FIRST BANK systems, leading US regional banking group, raised its quarterly dividend by 50 per cent to 37.5 cents a share, one of the biggest dividend increases by a US banking group in memory.

Delors proposes radical overhaul of EEC finances

BY TIM DICKSON IN BRUSSELS

A SWEEPING plan to overhaul the EEC's finances was announced in Strasbourg yesterday by Mr Jacques Delors, the President of the European Commission.

The controversial plan is intended to put an end to the perennial round of budget crises, substantially increase European Community expenditure up to 1992, and change the basis of calculation for Britain's budget rebate as negotiated by Mrs Margaret Thatcher at the Fontainebleau summit in 1984.

Mr Delors also raised the possibility of a new EEC stamp duty on financial transactions.

In this day and age, he told journalists, financial transactions are surging in relation to the value of goods and services. "When I think about poor farmers in the Community with only 10 cows I think that the 20-year-olds on high salaries should do their bit for Europe."

This remark will not be popular in the financial centres such as City of London or Frankfurt.

British reaction to the new Commission package is also likely to be influenced by the implied revision of the system for calculating the British budget rebate.

The Commission's detailed proposals, which have to be approved by EEC governments, were outlined by Mr Delors in a long and emotional speech to the European Parliament. They were drawn up after a series of meetings with EEC leaders over the last few weeks.

The main purpose of the plan is to find more money for Community policies at a time when the EEC is effectively bankrupt, and to devise a system of contributions that would place the financial burden of the Community more squarely on the richer, northern member states.

Some of the "new" mechanisms



Mr Jacques Delors

are familiar but the key change would be a new resource based on a percentage of the difference between countries' gross national product, and the sums raised by the EEC's so-called value added tax (Vat) formula based on a percentage of sales of a common basket of goods.

This difference, which would vary considerably from the EEC's Budget Commissioner as "an expression of relative wealth."

The new mechanism would bring into the calculation public expenditure, private investments, balance of payments and trade surpluses, which are not covered by the so-called Vat formula.

The overall limit on budget contributions would in future be defined by a proportion of GNP, rather than being based on the percentage of the present so-called Vat formula. The Commission is suggesting that up to 1992 this ceiling should not be more than 1.4 per cent of GNP.

The Commission calculates that under the new system the Community's budget in 1992 could rise to Ecu 52bn (\$59.2bn), compared with Ecu 36.3bn for 1987.

Japan cuts chips output in bid to save US pact

BY CARLA RAPOPORT IN TOKYO

JAPAN has instructed its semiconductor makers to cut production by as much as 20 per cent over the next six weeks in a last ditch effort to save the US-Japan chip-trade pact.

The move is aimed at sharply increasing the price of semiconductors in Japan. This, in turn, is intended to reduce the opportunity for evading the trade pact by shipping cheap Japanese chips to third countries for re-export to the US.

Top US government and industry officials have been vociferously protesting against Japan's alleged inability to live up to the terms of the pact, agreed last summer. According to the agreement, the export prices of Japanese chips were to be markedly increased to stop alleged dumping.

At the same time, market access for foreign chipmakers into Japan

was to be enhanced. Japanese chip prices to the US have gone up since then, but market access has not improved and much evasion of the pact through third markets has been taking place.

"The general idea is to show we are sincerely interested in implementing the agreement," said a senior official at the Ministry for International Trade and Industry (MITI) yesterday. MITI has worked out the production cutbacks with the assistance of industry executives. "We are not just guessing (about this production cutback), our forecasts are based on information from the companies," the official said.

According to MITI's plan, production of 256K Drums, the bread-and-butter semiconductor chips for computers and electronic books, will drop by 23 per cent in the first quarter of this year, compared to the last quarter of 1986. The new figure is about 10 per cent lower than the figure MITI had previously forecast.

Some companies which have been overproducing in the first six weeks of the quarter, however, will have to cut back production by 20 per cent in the next six weeks in order to reach the new forecast.

In addition to the cutbacks, MITI also unveiled three further steps to enhance market access for foreign chipmakers in Japan. These include a seminar for foreign businessmen in Tokyo to be held next week, the establishment of a permanent centre for the promotion of foreign semiconductor sales in Japan and a sector-specific market survey of Japanese markets to better determine opportunities for foreign companies aiming to sell chips in Japan.

are familiar but the key change would be a new resource based on a percentage of the difference between countries' gross national product, and the sums raised by the EEC's so-called value added tax (Vat) formula based on a percentage of sales of a common basket of goods.

This difference, which would vary considerably from the EEC's Budget Commissioner as "an expression of relative wealth."

The new mechanism would bring into the calculation public expenditure, private investments, balance of payments and trade surpluses, which are not covered by the so-called Vat formula.

The overall limit on budget contributions would in future be defined by a proportion of GNP, rather than being based on the percentage of the present so-called Vat formula. The Commission is suggesting that up to 1992 this ceiling should not be more than 1.4 per cent of GNP.

The Commission calculates that under the new system the Community's budget in 1992 could rise to Ecu 52bn (\$59.2bn), compared with Ecu 36.3bn for 1987.

Haughey set for Irish election win but majority may be slim

BY HUGH CARNegie IN DUBLIN

MR CHARLES Haughey's Fianna Fail party was heading for victory last night in Ireland's general election, but there remained doubt over whether it would win an outright majority in the 166-seat Parliament.

Fianna Fail was being helped by a heavy swing against Fine Gael, led by Dr Garret Fitzgerald, the Prime Minister.

However, much Fine Gael support was lost to the progressive Democrats, a party formed just over a year ago which appeared to be heading for a remarkable result, with more than 10 seats.

By late afternoon, Mr Haughey expressed confidence that Fianna Fail would form the next Government on its own. "I'm quite happy at this stage that we're on target for 84 seats or more," he said.

The final result is not expected until later today because the proportional representation system used in Ireland involves repeated counts. Some five-seat constituencies could have as many as nine counts with the outcome depending

on the pattern of votes transferred from elected or eliminated candidates.

Early returns as the results flowed in last night showed that Fianna Fail had taken more than 49 per cent of first preference votes, up four points from the last election in November 1986 when it won 78 seats. Party officials and commentators said the party was assured of 80 seats and could get up to 10 more.

Fine Gael, which was in coalition with the Labour Party until last month, had slipped nine points to 33 per cent of first preference votes. It was expected to lose at least eight of its present 88 seats, although transfers from eliminated Progressive Democrats were expected to help arrest the slide in some areas. Labour support also slumped, with about half of its 14 deputies in danger of losing their seats.

A major feature of the election was the performance of the Progressive Democratic Party which took more than 7 per cent of first

preferences. Mr Desmond O'Malley, who left Fianna Fail to set up the new party, said he expected to win about 15 seats, including a good showing in Dublin and in his own Limerick East constituency, where two party seats were assured.

"It's a fantastic achievement for a party that didn't exist 15 months ago," he said.

There was no comment from Dr Fitzgerald, who was re-elected in his Dublin South-east seat, but with a sharply lower share of the vote. Dr Fitzgerald's former constituency chairman, Mr Michael McDowell, was on target to win a seat for the Progressive Democrats.

With Fianna Fail failing to make gains in the Cork region in the south, it was relying on big gains in the 41 Dublin seats to give it a majority.

One victim was Mr Paddy O'Toole, the Defence Minister, who lost his seat in Mayo East, not to the Opposition but to his Fine Gael running mate who mounted a powerful local campaign.



Mr Donald Regan

Future of White House chief in doubt

By Lionel Barber in Washington

THE POSITION of Mr Donald Regan, the embattled White House Chief of Staff, looked increasingly precarious last night after President Reagan said his top aide's future was "up to him."

President Reagan, breaking silence after weeks of criticism about Mr Regan's effectiveness and his authoritarian managerial style, refused to give him a vote of confidence during a brief skirmish with reporters.

The President, asked to comment on a report that his wife, Nancy, was no longer speaking to the Chief of Staff, said: "I have always said that when people I've ever asked to come into government feel that they have to return to private life, that's their business and I will never talk them out of it."

He insisted he would not sack Mr Regan, but appeared to leave open the door for him to leave the White House, possibly within the next month.

Mr Regan has kept a low profile in the last six weeks. Asked to comment on resignation reports recently, he said: "If the President feels that way, I will, but I work at his pleasure and he hasn't indicated anything like that."

Mr Regan's job hung by a thread in the wake of the Iran arms scandal when Mrs Reagan, senior White House staff and Republican supporters urged the President to sack him.

The latest resignation rumours have been prompted by the departure of several senior White House staff, including the President's chief political adviser, the Cabinet Secretary and the Director of Communications.

There have been other reports that influential members in the Administration have turned against Mr Regan. Mr James Baker, White House Chief of Staff in President Reagan's first term, and now US Treasury Secretary, has denied reports that he wants Mr Regan out.

Third Channel tunnel board member quits

BY ANDREW TAYLOR IN LONDON

MR Michael Julien yesterday announced that he is to stand down as deputy chief executive of Eurotunnel, the Anglo-French Channel tunnel consortium, to become finance director of Guinness, the British drinks group.

London investment institutions last night described Mr Julien's move as the most damaging of the three boardroom departures that have rocked Eurotunnel in the space of just over a week.

On Friday after a board meeting in Paris, Eurotunnel is expected to announce the successor to Lord Pennock, who announced his intention to stand down as British joint chairman of the consortium nine days ago.

The consortium is also expected to announce shortly the appointment of several new British and French directors to strengthen the board.

Earlier this week, Sir Nigel Brookes, chairman of Trafalgar House, the construction, property, shipping and hotels group, resigned as a non-executive director from Eurotunnel.

"The loss of Lord Pennock is not serious, but the manner of his departure and the publicity over the Bank of England's doubts and a involvement has been extremely damaging," said one leading British institutional shareholder.

"Sir Nigel's departure was expected and not really a blow given the differences between him and some of the contractors who helped found

the consortium. Michael Julien's loss is much more serious. We regard him highly and he had the confidence of the investors."

"It is going to make it much more difficult for Eurotunnel to raise the £750m (\$1.125bn) it needs in this summer's international share issue," said the fund manager.

Mr Julien said the project, despite the damaging publicity in recent weeks, still had a good chance of success. He declined to say a 100 per cent chance, but said well over 50 per cent.

He said politicians and the international banks which are committed in principle to provide up to £50m in loans and standby credits, had the will to see the project through. The investment community had still to be convinced.

French partners in Eurotunnel have remained relatively unaffected by the recent boardroom defections. "The English have come through worse problems than this in the past. Projects of this kind have their ups and downs," a senior executive of one of the French contractors involved in the project, said yesterday.

Officials at the French Transport Ministry were also calm: "It is not our business since Eurotunnel is a private company but we are confident that the British can surmount their problems. Our only wish is that things should return to normal quickly with a chairman of first rank and of uncontested authority," said one official.

Julien joins Guinness

BY LISA WOOD IN LONDON

GUINNESS, the troubled Irish beverages group, announced yesterday two senior appointments which will complete the shake-up in the group's top management team.

Mr Anthony Tennant, deputy group chief executive of Grand Metropolitan, the UK hotels and leisure group will become Guinness' group chief executive and Mr Michael Julien, deputy chief executive of Eurotunnel, will become the group's managing director of finance and administration.

They replace Mr Ernest Saunders, the former chairman and managing director of Guinness and Mr Olivier Roux, the group's finance director who was on secondment from Bain & Co, the UK management consultants.

Both men left in January, shortly after a British Department of Trade

and Industry investigation was launched into large-scale Guinness alleged share support operations last spring during the company's takeover battle for Distillers, the UK drinks group.

Mr Tennant, 54, has a reputation as a talented drinks' brands marketer. He was at the helm of Grand Metropolitan's International Distillers and Vintners wine and spirits business while it developed into the fastest growing drinks business in the world.

Mr Julien has been with Eurotunnel since only last autumn and was a former finance director of Midland Bank. He played a major role in the restructuring and subsequent divestment of the Crocker Bank while with Midland.

Background, Page 6

Time to go offshore

RECOMMENDATION:
Multicurrency Bonds
up 35% (dollar terms)
up 25% (sterling terms)
Year to end January 1987

Foreign & Colonial Reserve Asset Fund Limited

Foreign & Colonial Reserve Asset Fund Limited is an ideal vehicle for the international investor, offering a comprehensive choice of cash, bond and equity funds with good liquidity. With over \$90 million already invested in fourteen different funds, Foreign & Colonial Reserve Asset Fund Limited is incorporated in Jersey and listed on The London Stock Exchange.

Benefit now from all the advantages of an offshore investment which has consistently outperformed all the relevant indices and has banking and security facilities available in Jersey. Initial charges are only 1% on the first US \$50,000 invested and are lower thereafter.

How to proceed
The minimum investment is £5,000 (or currency equivalent). Shares in the Fund may be purchased only on the basis of the current registered prospectus. To receive a copy simply complete and post the coupon.

Foreign & Colonial MANAGEMENT GROUP

Issued by Foreign & Colonial Management Limited—
Licensed Dealer in Securities. From origins in 1858, it today advises funds of approximately US\$ 3.0 billion.

To: Foreign & Colonial Management (Jersey) Limited
14 Mulcaster Street, St. Helier,
Jersey, Channel Islands. F1 1Y287

Please send me the Foreign & Colonial Reserve Asset Fund Limited Prospectus.

Name _____
Address _____
Postcode _____

CONTENTS

Europe	2-3
Companies	17, 18, 21
America	4
Companies	17, 18
Overseas	4
Companies	20
World Trade	5
Britain	6-8
Companies	22-24
Agriculture	28
Appointments ad.	section III
Arts - Reviews	13
World Guide	13
Commercial Law	19
Commodities	28
Crossword	25
Currencies	29
Editorial comment	29
Eurobonds	31
Euro-options	32
Financial Futures	29
Gold	21
Int'l. Capital Markets	25
Letters	14
Lex	16
Lombard	15
Management	11
Market Movers	36
Men and Matters	14
Money Markets	29
Raw Materials	28
Stock markets - Bourso	33, 36
- Wall Street	33-36
- London	30-32, 36
Technology	12
Unit Trusts	25-27
Weather	16



KHOO'S CREDITORS TRY TO CLEAR THE WATERS

Bankers meet today to try and sort out the affairs of Tan Sri Khoo Teck Puat's 70 per cent-owned Bank of Brunei. Pages 14 and 17

Crime and punishment: life on America's Death Row	4
Indonesia: Japan strengthens the connections	5
Management: Superchannel tests the global advertising concept	10
Norsk Data: how Norway's brightest star found its sparkle	12
Editorial comment: sense of drift in Spain; British Coal's next task	14
Economic viewpoint: fiscal versus economic arithmetic	15
Lombard: ears bend to bankers' plea	15
Lex: Guinness; Eurotunnel; ITT; London and Northern	16

EUROPEAN NEWS

W German GDP forecast to fall in first quarter

By Peter Bruce in Bonn

WEST GERMANY'S economic output, which stopped growing in the last quarter of 1986, is likely to fall by 1 per cent in the first three months of this year, according to one of the country's leading economic institutes.

Another institute is forecasting that the state contribution to gross domestic product (GDP) this year will not fall, for the first time since 1982.

The German Institute for Economic Research (DIW) in Berlin, one of the country's big five economic institutes, said yesterday that "all available information points to a further perceptible fall in GDP in the first quarter of the current year."

Unlike the Bundesbank, which last week simply reported no change in the 1986 fourth quarter, the DIW also claimed yesterday that GDP had, in fact, fallen then by 0.5 per cent.

Industrial orders were lower, the DIW said, and warned of more export hardship to come because of the continuing strength of the D-mark. It also said poor weather at the beginning of this year had contributed to the expected GDP fall, seasonally adjusted, for the quarter.

The second institute, the Hamburg-based HWWA, warned yesterday that the present Gov-

ernment's efforts gradually to reduce the proportion of GDP produced by the state would come to a halt this year.

Small cuts have been made every year since Chancellor Helmut Kohl came to power, with the state now contributing around 45 per cent of GDP.

The HWWA also warned that it would probably be impossible for Mr Gerhard Stoltenberg, the Finance Minister, to cut his budget deficit below last year's DM 23bn (\$8.3bn) and said that the proceeds from the Federal Government's privatisation plans would not be enough to cover new federal debts.

Both the DIW and the HWWA urge the Government to press ahead with tax cuts.

The Hamburg institute warned, though, that Mr Stoltenberg has less and less room to manoeuvre on tax reform.

The three parties in the governing coalition, meanwhile, were still locked in an apparently heated debate over how the outlines of a growth boosting DM 40bn tax reform for the 1990s. In the main party, Mr Kohl's Christian Democrats, there remains strong opposition to proposals by the Bavarian CSU and the liberal Free Democrats (FDP) that the 56 per cent marginal rate paid by top earners and medium-sized businesses be cut.

Kazakh riots worse than admitted, says minister

THE PRIME MINISTER of Soviet Kazakhstan yesterday substantially revised official accounts of December's riots in Alma-Ata, saying two people were killed and about 200 injured. Reuter reports from Alma-Ata.

Giving the fullest account so far of the disorder, Mr Nursultan Nazarbayev said up to 3,000 people took part in the nationalist demonstrations in the Kazakh capital. The previous official figure, given by Deputy Foreign Minister Vladimir Petrovsky, was no more than several hundred.

Mr Nazarbayev said about 100 people were detained. Three had been sentenced to

prison or labour camp terms and 33 others were still under investigation.

He was speaking in the Kazakh government building to 12 Moscow-based foreign correspondents, the first allowed into Alma-Ata since the riots flared on December 17-18.

Previous official press reports played up the role of "hooligans and parasites" in the trouble, but Mr Nazarbayev said the students had voiced some legitimate grievances, including food and housing problems in Alma-Ata.

"One volunteer police worker died. One student died," he said, explaining that both had suffered blows to the head.

Craxi on course for early election

By John Wyles in Rome

MR BETTINO CRAXI, the Italian Prime Minister, indicated yesterday that his coalition government is heading for a severe internal crisis which is most likely to lead to an early general election.

During two television interviews within 24 hours, the Socialist Prime Minister has cast doubt on whether he will allow himself to be succeeded by a Christian Democrat at the beginning of April in line with the spirit, if not the letter, of the political deal which ended a messy political crisis last summer.

He claimed there was no agreement that he would be automatically succeeded by a Christian Democrat. He was still ready to contemplate such a move but it now looked "improbable."

He did not explain why, nor did he confirm that he would step down in April. Instead, he merely asserted that the "mandate" he had sought at the start of the current legislature three and a half years ago would expire at that time.

This implies that by one means or another, he will frustrate the formation of a Christian Democrat-led government.

Most parties, with the exception of the Communists in opposition and the Republicans in government, are convinced that an early election is both inevitable and desirable. Inevitable because no legislature has run its full term since 1963, and desirable because any post-Craxi government could be terminally weakened by electoral rivalries in the run-up to the unavoidable election due in June 1988.

An election this year would also avoid difficult referendums scheduled for June 14 on nuclear power and judicial reform.

With business sentiment also favouring an early election, the dilemma for Mr Craxi and the Christian Democrats is how to precipitate the one or other or both without being penalised by an electorate which is much less favourably disposed.

Christian Democrat leaders were lying low yesterday because they are convinced that Mr Craxi is trying to provoke them into forcing the rupture by reneging on the formula of last summer.

Why W. Germans are in a hurry

Andrew Fisher in Frankfurt looks at a nation's obsession with high speed car travel

YOU ARE on an autobahn driving at, say 140 kilometres an hour, or not far short of 90 mph, which is almost crawling by German standards. You are in the fast lane overtaking a slower car or lorry. Suddenly, a glare appears in your mirror. The driver behind, who has flashed up from nowhere, is impatient and is not shy of letting you know it. With an anxious shiver, you seek to move back into the middle or inside lane without panicking.

On West Germany's increasingly overcrowded motorways, where speed limits exist only on a few stretches or parts under repair, the above is all too common. More cars are being driven at higher speeds, as people have become more prosperous and petrol has become much cheaper.

In Germany, speed limits on motorways are barely a topic for discussion these days. But accident statistics tend to be. Insurance companies are growing worried about the sums they have to look out for damaged cars, about DM 100m (\$8.7bn) a year. Allianz, the country's biggest, may lose money on motor insurance this year. Drivers, it says, are going "faster and more inconsiderately."

Judges, too, have been expressing concern. Mr Richard Spiegel, president of the German Traffic Courts Association, said recently that Germans had a "highly neurotic attitude to speed." Their behaviour in traffic had been worsening, and no one could deny that too high speeds were the main cause of accidents.

But whenever the speed limit topic is aired in Germany, defenders of the status quo emerge in hordes. The motor industry throws up its collective hands in horror, saying limits would inhibit the development of the advanced cars which sell so well abroad. The Government says accident statistics and environmental issues would not justify a speed curb everywhere.

And the drivers themselves? Not at all, it is true, use their cars as weapons of self-defence. But many Germans certainly drop much of their innate caution and discipline when they accelerate onto the autobahns. Even if there were a legal limit on even the most wide open stretches of motorway, it would probably be

ignored, argue the detractors of a speed restriction.

Not that German accident figures have grown alarmingly. Last year, there were 4 per cent more in the first 10 months. Deaths on the roads probably totalled nearly 9,000 (a 7 per cent rise) in the whole of 1986, just over 700 of them on the autobahns. Before seat belts were made compulsory in 1985, deaths were far higher, over 10,000 in 1984 and a horrifying 19,000 in 1970.

The problem is, as in the rest of Europe, that there are more cars on the road every year. And it is not only on the motorways that speeds have been edging up. Gang-bro drivers also charge down Germany's town and city roads, where there are very definite speed curbs.

Not surprisingly, Germany has reacted fairly frostily to the notion floated in Brussels that all EEC countries should have a basic motorway limit of 120 kilometres an hour, with some flexibility above and below this where justified. Some, such as the Netherlands and

the UK, would have to raise their levels to this limit. For Germany, 120 kph is far lower than the menacing speeds - 200 kph or more - which some fearless drivers achieve.

In the main, Germans are good, if sometimes aggressive and selfish, drivers. They are certainly more disciplined than Belgian drivers, say some Commission sources, presumably speaking from personal experience as well as from the statistics.

The Bonn Government decided some time ago against speed limits to help the environment, arguing that a 100 kph curb would make little difference to the state of the country's countryside. In the view of EEC experts, with cars now being cleaner, it is the accident rate that is the more compelling reason for a limit.

There is no certainty that the Commission will come up with formal proposals for any limits. But it is not time for Germany to make more concessions to the increasing dangers arising from the combination of more speed, more cars, and more driving? Going hell-for-leather down your favourite stretch of motorway may be fun, but an autobahn is not the Nürburgring.

Air France confirms interest in A-340

By George Graham in Paris

AIR FRANCE, the French national airline, yesterday moved a step closer to backing the new A-340 airliner planned by the European Airbus consortium.

The board of Air France confirmed its interest in the A-340, a medium capacity long range airliner expected to fly in the 1990s.

The company said that it hoped its negotiations to acquire seven A-340s could be concluded successfully.

The announcement gives an important boost to Airbus, which needs firm backing from at least five airlines before it can launch the A-340 development programme. So far, only Lufthansa, the West German national carrier, has given unequivocal support.

Lufthansa has placed 15 firm orders for the A-340 and a further 15 options. Air France, by contrast, has recently bought more Boeing 747s.

The A-340 has aroused a fierce dispute between the EEC and the US, where McDonnell Douglas will

produce a rival long range medium capacity aircraft, the MD-11.

McDonnell Douglas has accused Airbus of unfair competition in seeking to lure away airlines which had already indicated their intention to buy the MD-11. Swissair and SAS have been keenly wooed by the rival aircraft constructors.

The Airbus consortium last week officially baptised its newest airliner, the A-340, which has topped 400 orders. The projected A-340 would complete the range and take the European consortium into the long haul market, an area previously dominated by US producers.

Air France indicated that it was interested in being among the initial airlines committed to the A-340, which would give it influence in defining the aircraft's design.

Relations worsen between Hungary and Romania

By Leslie Collitt in Berlin

RELATIONS BETWEEN Hungary and Romania, two Warsaw Pact allies, have further deteriorated over alleged discrimination by Romania against its 1.8m ethnic Hungarian minority.

Mr Matyas Szecser, a senior Hungarian official, told Radio Budapest there were differences with Romania on "matters of principle." He noted that talks begun last year between the two countries to ease border traffic problems were "not going smoothly."

Hungarians crossing into Romania to visit relatives have been frequently held up by lengthy Romanian passport and customs inspections. They are forbidden to bring newspapers and other publications.

Mr Bela Kocsentz, the Hungarian Minister of Culture, told a Western

newspaper recently that Hungary's relations with Romania were getting "worse and worse."

In an unusually sharp statement Hungary's Roman Catholic bishops said last month that the ethnic Hungarians were being deprived of human rights.

For its part, Romania recently condemned all discussion of the rights of national minorities at the Vienna follow-up meeting to the Helsinki security conference.

The Romanian news agency said the minority question was raised by those who "in reality wanted to alter the borders."

This was a reference to the treaty in 1919 under which Hungary ceded to Romania the region of Transylvania where most of the ethnic Hungarians live.

Hersant promises TV 'diversity'

By Our Paris Correspondent

MR ROBERT HERSANT, the French press magnate, sought to give assurances yesterday that his television operating group would maintain a diversity of views on its news programmes when public hearings opened yesterday on the selection of new proprietors for three of France's television channels.

Mr Hersant, the owner of the right wing daily Le Figaro and a string of other national and provincial publications, is a candidate with Mr Silvio Berlusconi, the Italian producer, for the fifth channel, la Cinq. The only other contender is a consortium led by Sir James Goldsmith, the owner of L'Espresso.

It is the first time that US style public hearings have been held on such an issue. The

newly created broadcasting commission, CNCL, seems to be giving the procedure to restore its credibility in the face of widespread belief that the selection has already been made by Mr Jacques Chirac, the Prime Minister, and that the 5th Channel will go to Mr Hersant's group.

Questioned by one of President Mitterrand's two nominees on the commission maintaining a diversity of view on news programmes, Mr Hersant said it was a "difficult" problem.

"We will recruit the best journalists and the best news presenters," he said. "We will ask them to ensure a diversity of view—which is not always the case with the existing channels."

One fear expressed about Mr

Hersant's candidature has been that he would use the channel to promote his own political views. He is also a deputy and leads a powerful lobby within parliament.

Mr Hersant said that he currently employed 3,000 journalists and had never been accused of interfering in their work. He warned the commission against hearsay reports saying that they "are not always merited."

The hearings seemed more designed to allow the operating groups to put forward their case in public than to promote detailed cross questioning. Apart from the exchange with Mrs Catherine Tasca, President Mitterrand's representative, the other questions were fairly anodyne.

Mitterrand and Chirac clash over territory

By David Housheer in Paris

THE FRENCH President, Mr François Mitterrand, clashed openly yesterday with Mr Jacques Chirac, his Prime Minister, over France's South Pacific territory of New Caledonia. The incident is likely to strain further the power-sharing system between the Socialist President and the Conservative Government.

The occasion of the dispute was the adoption by the Cabinet of the text of a bill providing for a referendum in New Caledonia in late July or August on the island's future. Mr Mitterrand used the meeting to issue a strongly worded statement expressing his disapproval of government policy in the territory which he said was creating fresh communal tensions. The referendum will give the islanders a choice between independence and remaining part of France. But the FLNKS, the indigenous Kanak independence movement, is threatening to boycott the elections because it has not been consulted on the terms of the vote and because it claims that the Government is deliberately undermining the steps taken so far to give the Kanaks regional autonomy.

An FLNKS boycott could provoke a further round of violence on the islands—thus sparking off recriminations between the French right and the Socialists over responsibility for the deterioration of law and order.

Even before yesterday's cabinet meeting, Mr Mitterrand had warned the Overseas Territories, warned Mr Mitterrand that his public intervention could harden attitudes among Kanak "extremists" and "revolutionaries."

In his statement yesterday, Mr Mitterrand made clear that he believed the Government had effectively drained of power the three of the four regional councils in the territory where the Kanaks are in a majority.

The cabinet meeting, FLNKS leaders wrote to Mr Chirac complaining that the regional councils—set up in 1985 to give the Kanaks experience of administration—were being deprived of funds and by-passed in decision-making.

The Government for the break-off in talks with the FLNKS over the organisation of the referendum. Mr Pons recently visited the island but only saw the French community and the conservative Kanak chiefs.

In a reply to Mr Mitterrand before the cabinet, Mr Chirac said the Government had initiated a "real dialogue" with the different communities in the territory.

The concern of other Pacific region countries about the change in French policy towards New Caledonia under Mr Chirac's administration was expressed in December by their referring the issue to the UN committee on decolonisation.

Being Dutch is not enough

NOT IN INTERNATIONAL BANKING

The Dutch have a worldwide reputation. For being good, astute businessmen. We're proud of this. But we also know that it's just not enough. Not in the world of international banking which grows daily more complex and sophisticated.

Today, AMRO has an international banking capability precisely tuned to institutional, commercial and corporate needs. Indeed, we are built around them.

Why not get in touch and test our competitive edge. We've got all of the Dutch business virtues as well.

Amro Bank
Amsterdam-Rotterdam Bank

ANTWERP • BASLE • BEIJING • BERLIN • BERNE • BOMBAY • BONN • COLOGNE • COLOMBO • DUBAI • DUSSELDORF • FRANKFURT
GENEVA • HAMBURG • HONGKONG • HOUSTON • JAKARTA • LONDON • LOS ANGELES • MELBOURNE • MÜNCHENGLADACH
MOSCOW • MUNSTER • NEW YORK • PARIS • SAN FRANCISCO • SINGAPORE • SYDNEY • TAIPEI • TOKYO • ZÜRICH

Tim Dickson on plans to change the foundation of EEC funding

Delors outlines vision of the future

"THE credibility and the construction of a united Europe are at stake," Mr Jacques Delors thundered in his keynote address to a highly appreciative European Parliament in Strasbourg yesterday.

That and other verbal flourishes sprinkled through a lengthy speech was typical of a man never slow to berate EEC member states for frustrating the European ideal and needlessly holding up progress towards a unified internal market. Yesterday, however, there was more to his ideas than just the outline of a distant and familiar vision.

The Commission's plan to change the whole foundation of EEC budget contributions—moving from the present system based on a value added tax related formula to a complex alternative which would take into account countries' relative gross national product (GNP)—seems certain to start an intense political debate in member states. It raises vital questions about priorities for and control of EEC spending and it could seriously exacerbate tensions between the richer northern states in the Community and their poorer Mediterranean counterparts.

The Community has, quite simply, run out of money. The present system is inadequate to meet rising future spending commitments and the Commission does not believe it fairly spreads the burden between the various member states.

This year, the EEC is set to fix a budget of Ecu 56.5bn (\$27bn)—the maximum permitted under the present rules—and yet on present projections the Common Agricultural Policy (CAP) alone will cost a further Ecu 3.8bn. The total overrun in 1987 is expected to be about Ecu 5bn.

Besides the CAP problems, the regional and social funds have expanded in the past

couple of years, partly to take account of the entry into the EEC of Spain and Portugal.

And the Single European Act, an amendment to the Treaty of Rome, the Community's founding charter, which is expected to come into force later this year, will introduce a number of policies for which extra funds will be required.

The Commission claims that until the present system is reformed it will have to tackle successive budgetary crises—the latest was only resolved this week.

Only two thirds of the EEC's own resources come from the VAT take, already right up to the limit of 1.4 per cent limit agreed by heads of state at the Fontainebleau summit in 1984. The rest comes from customs duties and agricultural levies, both of which are set to decline as a result of declining external tariffs and the Community's increasing self sufficiency in previously imported food.

The VAT take, moreover, is not what it seems. Only eight member states pay 1.4 per cent. West Germany pays 1.33 per cent and Britain—thanks to the famous budget rebate negotiated in 1984—pays an effective 0.7 per cent. There are transitional arrangements for Spain and Portugal.

This then is one problem—the 1.4 per cent ceiling works out at an average for the Community of only 1.2 per cent. More fundamentally, however, the Commission argues that the EEC's "own resources" are falling back because the revenue from the national basket of goods on which the system is based is not growing as quickly as gross national product in each member state. The difference is that GNP includes public sector spending, private investment and any surplus on the balance of trade.

The Commission plan is essentially designed as a

medium term strategy—lasting until 1992—with four planks.

The limit on the EEC budget would in future be defined as a percentage of each country's GNP—a maximum of 1.4 per cent in 1992 (equivalent to 2.1 per cent of the current VAT system) but expected to be on a graduating scale up to that figure in the intervening years. The composition would then be as follows:

● Customs duties would remain but the 10 per cent currently levied on member states would in future go to the Community, as would duties on coal and steel.

● Agricultural levies. These would be part of "own resources" as before.

● VAT. There would be uniform VAT levy of 1 per cent collected relative to member states as agents of the EEC. These revenues would thus be kept outside national budgets and their calculation would be simpler than at the moment.

● A flexible element and the key to the whole new system. This would be calculated as a percentage of the difference between total GNP in each member state and the VAT basket—a gap which would invariably be greater in the wealthier member states (Ger-

many, Benelux, Denmark and France) where public spending and private investment and trade surpluses are large. The point is that the percentage would be the same but the revenue raised in this way would vary sharply.

● The joker in the pack is an as yet undefined resource which the Commission says it might introduce before 1992. The way Mr Delors' mind is working, however, was clear from the example he gave in his speech on a stamp duty, or small tax on financial transactions.

The new system would ease Britain's budget rebate requirement caused by the typically small amount which Britain gets from the CAP and the relatively high level of private consumption relative to total UK wealth. In future, however, the mechanism would represent a 50 per cent rebate on the UK's net agricultural payments to the EEC budget.

This would be financed by the Benelux countries, Denmark, France, Italy and West Germany (which would pay less than its full share).

INTERNATIONAL BIDDING

ITABUNA INDUSTRIAL SA — ITAISA, (forecasting the implementation of an industrial unit located in Itabuna — BA, is interested in acquiring machines and equipment for the production of cacao-bean derivatives.

The purpose of this communication is to invite interested parties to present their proposals in writing to the following address: Km 4.5, Rodovia Itabuna/Uruçuca — BA, Dierito Industrial — Itabuna — BA — CEP 45.000 — Brazil.

FINANCIAL TIMES
Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Dams, M.C. Gorman, D.E.P. Palmer, London.
Printer: Drucker-GmbH, Frankfurt/Main.
Responsible editor: R.A. Harper, Frankfurt/Main. Guilloletstrasse 24, 6000 Frankfurt am Main 1, G.
The Financial Times Ltd. 1987.
FINANCIAL TIMES, USPS No. 100640, published daily except Sundays and holidays. U.S. subscription price \$365.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 10022.

EUROPEAN NEWS

US brings electronics jobs to Europe

By Terry Dedworth, Industrial Editor

US ELECTRONICS companies are expected to create 25,000 jobs in Western Europe over the next three years, of which between 9,000 and 10,000 are likely to be located in Britain.

This is one of the main conclusions of a report by The Economic Development Briefing, an independent market research organisation which specialises in the analysis of offshore investment projects.

It says that up to a third of all new European plants set up by US companies will be in the UK, and that 88 per cent of US electronics managers shortlist Britain as a suitable offshore location.

The survey also suggests that the boom years for direct US investment in Europe are over. Although just over 20 per cent of American electronics companies plan to set up new or additional production facilities in the region during 1987-89, the number of companies with investment plans in the region has dropped by 50 per cent compared to three years ago.

"Nowadays local production will only be considered when a product has established itself firmly in the European market-place," the report concludes. "On the positive side this new attitude will ensure that new projects are much less likely to be closed or scaled down after only a few years."

The report adds that sales of American electronics companies producing in Europe or exporting to the region should show an increase of 15-20 per cent over the next 12 months. However, most of these goods going to European consumption are shipped from plants in the US.

"While roughly half the major US electronics companies have European production facilities, only 16 per cent state that most of their products for Europe are actually made by their European facilities."

According to the survey, which is the result of questionnaires and interviews with 471 US electronics groups, Britain's success in attracting US interest is due to the efforts of its regional development agencies. Out of the 25 most professional European development authorities operating in North America, 13 are from the UK, with the Scottish Development Agency in first place.

"The 1987 US Electronics Survey, published by The Economic Development Briefing, PO Box 625, Hemstead, London, NW3 2TZ.

Discovering a sunny side to West Germany's hardship post

BY HAIG SIMONIAN IN FRANKFURT

AFTER THREE weeks, the sun shone. Last weekend, the protective shroud of mist—and sometimes smog-covering Frankfurt's skyline finally lifted to reveal a face that was less grim than first impressions had suggested.

However, presenting Frankfurt as anything other than a hardship post, almost on a par with Warsaw or Moscow, goes against the grain of a fiction in danger of turning into reality after being nurtured for years by waves of expatriates reporting to their bosses back home.

It may have been true straight after the war, when 75 per cent of the city's core

lay in ruins. And it was probably still not that wide of the mark well into the 1960s and early 1970s, when one skyscraper after another pierced the skyline and helped Frankfurt am Main—the capital of West German banking and finance—gain its far from complimentary nicknames of Bankfurt and Mainhattan.

But things have changed. Not that many canny Frankfurt-based expatriates are keen to let on. Better for corporate HQ in Paris, Milan or New York to carry on thinking of the place as crime-ridden, boring and something of a dump, where

only the keenest and most resilient young executives are prepared to go. Of such stuff are careers made.

Meanwhile, the rest of us can sit back and enjoy it. True, Frankfurt is no picture post-card. But if money alone were enough to make up for wartime devastation and strong signs of post-war greed, then the city has done—and spent—about all it can to smarten itself up.

Yet what Frankfurt has gained in practicality it may sometimes have lost in character. Old-fashioned trams have all but vanished in favour of a sleek all-weather underground transport system.

And the city is still wrangling about removing the town's remaining seedy areas—calling it a red light district is going too far—around the railway station to make room for yet more banks and insurance companies.

Frankfurt was rebuilt from its foundations up thanks to the help of our American and British friends," quip the locals, usually good-naturedly, when it comes to describing some of the excesses of the city's reconstruction after its wartime pounding. Commercial redevelopment sometimes took over where the bombs left off. It was well into the

1970s before Frankfurt's West End, now a snobby residential area with soaring rents to match, came into its own.

It still bears some of the scars of its muddled past. Fine baroque villas, now almost all converted into luxury flats, sit cheek by jowl with modern office blocks. Only a stone's throw from the city centre and not far from Frankfurt's lavishly restored "Alte Oper" is a residential area that plays Notting Hill to the West End's Kensington. The north-end may not sound like much, but it makes up in liveliness what its western neighbour claims in class.

Like most big cities, central Frankfurt on a Saturday afternoon is a shopper's paradise. Or almost; West Germany's antiquated Saturday trading hours mean stores are only open until 6 pm once a month.

The crowds of shoppers are swelled by the Americans, many of whom suddenly seem to come out of the woodwork on Saturday. The US community here is so large that estimates of its size differ by tens of thousands.

The surrounding streets all bear witness to their new tenants; the US high school, bowling centre and the all-important servicemen's store

are all within a few hundred yards. At the kerb, rows of cars testify to the GIs' affluence.

But it is not only the US military which has developed its own ghetto in central Frankfurt's northern fringe. Just across the road in Ginnheim stands a hideous grey 14-storey bulk. The Bundesbank, and the neighbouring rows of barrack-like flats that provide cheap housing for many of its employees, expresses in its own financial way what the US base signifies in military muscle. Neither is likely to go away, and Frankfurters have learned to live with both.

Brussels draws up basic safety rules for consumer goods

BY WILLIAM DAWKINS IN BRUSSELS

WIDE-RANGING rules setting minimum safety standards for all consumer products are being prepared by the European Commission for submission to member states later this year.

Consumer protection experts are drawing up a report on the desirability of a general obligation to market safe products, due to be presented to national officials for their views in April, with a draft directive expected to follow during the autumn. At that stage, member states would have to decide whether it should become law.

The move, initiated early last year under the Dutch presidency of the EEC, has won the backing of Belgium, the new EEC president. It is also being pushed hard by Mr. Grigorios Vardis, the Commissioner responsible for consumer protection.

He said in the latest monthly report of BEUC, the European consumers' association: "It is my firm intention that the Commission should submit in 1987... a general directive on product safety. This is becoming urgent and important, not only as one of the conditions of the achievement of a completed internal market, but also because more and more member states are adopting general legislation on product safety."

The precise content of the draft directive is far from decided, but it is expected in broad outline to be inspired by existing consumer protection laws in France and Britain. Among the options considered in discussions between the Commission and consumer associations are safety standards that would apply to

conditions of "reasonable use"—in the words of one official—as well as normal use.

Also being considered are statutory obligations for manufacturers to supply safe goods and monitor and report defects themselves, rather than leaving such checks to national authorities. Measures that would permit national authorities to force manufacturers to withdraw products from all EEC markets are also being debated.

This would prevent manufacturers from responding to national bans by exporting dangerous products to other member states.

The EEC's main existing legal influence on product safety consists of a directive on product liability and a warning system whereby national authorities throughout the Community are automatically informed of dangerous designs.

Mr Vardis is promoting the proposals partly to fill the obvious gap left by existing liability rules (they only apply after accidents happen), but is also arguing that this is a logical extension of the EEC's so-called new approach to product standards. This allows product directives to set broad and simple outlines for safety and performance, leaving member states to sort out the mass of technical details themselves.

However, the product safety idea has already provoked a sceptical reaction from the Commission's industrial affairs directorate. It fears that the move would unnecessarily duplicate the new approach, which is geared to specific products.

Easing of Greek banking controls proposed

BY ANDRIANA IERODIACONOU IN ATHENS

A PROPOSAL to liberalise the Greek banking sector by dismantling the existing complex system of reserve requirements and regulated, negative, interest rates, was unveiled yesterday by a special committee of Greek state bank and Economy Ministry officials.

The plans, which are to be thrashed out over the next few months with banks and trade unions, represent an extension of reforms which have been quietly under way since 1983 on the initiative of the Bank of Greece.

These have so far included

the consolidation into four basic rates of a web of more than 100 leading rates set by the Bank of Greece, and the relaxation of case-by-case control of lending by the central bank in favour of allowing individual commercial banks greater freedom to set their own portfolios. About 80 per cent of the Greek banking sector is state-controlled.

The committee's proposals envisage a full liberalisation of the system, with a rationalisation of the role of the Bank of Greece and the development of the capital market, in three phases. They set no specific

time frame, however, noting merely that the changes must follow stabilisation trends in the economy. The Government is in the process of implementing an economic stabilisation programme designed to reduce domestic and external deficits and inflation.

According to the committee, economic conditions in Greece permit the implementation of the first phase of the liberalisation programme. This proposes positive lending and deposit rates relative to the inflation rate, which the authorities expect to reduce from 16.9 per cent last year to 10 per

cent by the end of 1987. In addition, the existing spectrum of lending rates is to be consolidated to one basic rate, with the exception of special long-term rates to farmers and small businessmen. These are to be subsidised directly through the state budget.

During the first phase the Bank of Greece will still set lending and deposit rates, and reserve requirements on deposits will also continue to apply. However, the committee proposes further relaxation of Bank of Greece restrictions on various types of commercial bank lending.

Polish company protest

By Christopher Bobinski in Warsaw

THE freely-elected workers co-management council at the Teva electronics factory in Warsaw has accused the government of trying to limit company rights contrary to decentralising reforms passed in 1981. Companies were then given autonomy under a law which sought to limit and define instances when government ministries could impose their will.

The protest comes at a time when the Soviet Union has published a draft law which recognises company autonomy in terms which are sometimes reminiscent of the Polish legislation. The Soviet draft, however, leaves much greater powers to ministers to intervene.

Teva's workers have issued their statement in reply to a projected government order regulating pay systems for top company management—a crucial issue for company independence.

Government to take share in offshore group

BY OUR ATHENS CORRESPONDENT

THE GREEK Energy and Industry Ministry served notice yesterday on the four foreign member-companies of LAFIC, an international consortium developing offshore oil deposits in the north Aegean, that it intends to secure a majority interest in the consortium for

the state-run Public Petroleum Corporation (DEP).

In a combative announcement the Ministry said the DEP had made a bid last year for the controlling interest of Dennison Mines of Toronto, the leading member of the consortium with an original participation of 68.75 per cent in the \$600m

LAPC project. But the offer was rejected last December.

Following Dennison's refusal to negotiate, the announcement said, the Ministry secured the approval of Mr Andreas Papandreu, the Greek Prime Minister, for the drafting of special legislation which will enable DEP to secure control

over the consortium even without the consent of its foreign members.

The Greek state concern is to slow a three-month deadline for negotiations with foreign members of LAPC before proceeding to ease control through the special legislation.

Space station partners at odds

BY PETER MARSH

DIFFICULTIES remain on bridging the gap between Western Europe and the US over the proposed \$12bn manned space station, according to a top official at the 13-nation European Space Agency.

A meeting in Washington last week at which the US explained its policies on the station produced an outcome that was "not satisfactory," said Mr George Van Reeth, director of administration at the ESA.

The US is discussing building the station by the mid-1990s, in partnership with

Western Europe, Canada and Japan. Last week's meeting was to inform the other countries of the result of an internal US review into policy over the station.

The review, held at the behest of the Defence Department, led to a postponement by a month of the space station negotiations. Agreement between all the countries is scheduled for the summer, to permit the start of development work later in the year.

Mr Van Reeth said that any use by the Defence Department of the base could cause prob-

lems for some of the participating nations. This was on the grounds that the station was meant to be primarily for civilian use.

Difficulties also remained, he said, over how the orbiting base was to be managed once it was built. The US's insistence that it would have the final say in deciding on allocation of experiments inside the station might prove a stumbling block.

Officials from the US and ESA are due to meet again in Paris next week in a further bid to resolve the differences.

We're always interested in other people's business.

Ever since César Ritz built his famous hotel in Piccadilly to create "the most fashionable hotel in the most fashionable city in the world", it has been a firm favourite with business travellers coming to London. Many regard it as the finest business address in London. With only 128 rooms, The Ritz offers a friendly, personal service which is second to none.

private meetings or business functions there are luxurious suites available.

Telephone Carol Thomas on 01-493 8181 or write to The Ritz, Piccadilly, London W1 for further details.

The Ritz. Where it's a pleasure to do business.

THE RITZ
PICCADILLY · LONDON

The famous Ritz Restaurant, described as "the most beautiful dining room in London" is perfect for business entertaining be it breakfast, lunch or dinner. For

HANDLING YOUR OWN DISTRIBUTION IS A WASTE OF TIME.

Ask companies like BMW, Morphy Richards, Honda, Sodastream and a host of our other large and small customers.

They've got better things to do with their time than devote it to distribution.

At NCCS, on the other hand, we give every customer's distribution operation our undivided attention.

As a result, we offer hundreds of companies substantial savings and improvements in service.

The fact is, as a member of the National Freight Consortium, NCCS is flexible enough and

big enough to handle any company's entire distribution process.

And that means handling everything from source to consumer.

Talk about your distribution to Mike Tarrant, our Managing Director, and put the wheels in motion in the race against time.

NATIONAL CARRIERS
CONTRACT SERVICES

The way things are moving.

NATIONAL CARRIERS CONTRACT SERVICES, MERTON CENTRE, 45 ST. PETER'S STREET, BEDFORD MK40 2UB. TEL: (0234) 272222.
WAREHOUSING • TRANSPORT • INVENTORY CONTROL • ORDER PROCESSING • INFORMATION AND DATA TECHNOLOGY

AMERICAN NEWS

Reagan expected to lift sanctions against Poland

BY LIONEL BARBER IN WASHINGTON

PRESIDENT REAGAN is expected to announce today that the US is lifting the remaining economic sanctions against Poland in a symbolic show of support for the Communist regime's release of political prisoners and other reforms.

The Reagan Administration imposed economic sanctions against Poland in 1981 when the Government declared martial law and banned the Solidarity trade union movement.

The Polish Congress, a Polish-American organisation based in Washington, said yesterday that its leaders had been invited to a small ceremony at the White House today at which President Reagan would formally lift the sanctions.

US sanctions—which include denial of most-favoured-nation trade status to Poland and a ban on official credits—have cost the Polish economy several billion dollars. But Polish officials have said that lifting the sanctions would have no immediate effect on the economy.

The first sign of a diplomatic thaw in the five-year freeze in relations came with the visit to Poland last month by Mr John Whitehead, US Deputy Secretary of State, who was on a tour of Eastern Europe.

Mr Whitehead met with the Polish leader Gen Wojciech Jaruzelski and agreed a range of new political and economic contacts between the US and Poland. Mr Whitehead also met with Mr Lech Walesa, the leader of Solidarity in 1981, and senior Roman Catholic figures.

Lifting economic sanctions has become less controversial in the US since Mr Walesa and Cardinal Jozef Glemp, the Roman Catholic Primate of Poland, have argued that the curbs hurt the Polish people.

The White House refused to confirm or deny that sanctions would be lifted, saying an announcement was premature. But the Polish Congress said that the White House ceremony had initially been for a large number of people and had subsequently been cut down.

Polish imports to the US, which dropped from \$450m in 1980 to about \$250m in 1985, are expected to increase with renewal of the most-favoured-nation status, which will reduce the current high tariffs.

No decision is believed to have been made however to extend new US credit, although the ban on official credit is expected to be lifted.

Armacost calls for Soviet pull-out

A SENIOR US official yesterday called on Moscow to offer a speedy withdrawal of Soviet forces from Afghanistan at UN-sponsored peace talks, Reuter reports from Geneva.

Mr Michael Armacost, Undersecretary of State for Political Affairs, said new Afghan Communist Party leader Najib had failed to win the confidence of rebel fighters in his recent "national reconciliation" effort.

UN Under Secretary General Diego Cordovez, who discussed the issue with Soviet officials last week, will mediate a new three-week round of talks between Moscow-backed Kabul authorities and Pakistan, set to open on February 25.

Mr Armacost, speaking to reporters in Europe via satellite from Washington, said the only unresolved issue was a specific schedule for Moscow removing its estimated 115,000 troops.

"We are not a direct party to the negotiations, but in our view a Soviet timetable must be prompt. A prompt timetable means months... If not, the resistance won't stop and the refugees won't come home," he said.

About 2m Afghan refugees live in camps along the Afghan-Pakistan border, and form the backbone of the rebel movements fighting the Kabul government.

Mr Cordovez has been trying to negotiate a peace settlement since June 1982. The talks have stumbled on a timetable, with Pakistan demanding Soviet withdrawal in a matter of months and Afghanistan insisting on a period of three or four years.

The US official urged: "One would hope that the Soviet Union intends to fulfill its pledge, namely to withdraw its troops. We await evidence."

Mr Gennady Gerasimov, Soviet Foreign Ministry spokesman, said earlier this week the UN talks could resolve the civil war, now in its eighth year.

Mr Armacost acknowledged that Moscow had recently shown its seriousness about ending its involvement in Afghanistan.

"There is evidence the Soviets are wrestling with serious issues... After seven years, the Soviets have recognised the considerable burden the occupation of Afghanistan imposes."

He also expressed support for Pakistan.

Nancy Dunne and David Owen report on a marked acceleration in state executions

Inmates fight lottery of Death Row sentence

JUST OVER 10 years ago, on January 17, 1977, a 36-year-old man wearing a black T-shirt, white trousers and tennis shoes was strapped into a wooden chair in a prison warehouse in Utah and summarily shot.

The execution—and the events which led up to it—inspired a Pulitzer Prize-winning Norman Mailer novel, a Lawrence Sanders feature film, and a hit single by an obscure punk rock band called The Adverts.

More importantly, it brought to an end a near 10-year spell of enforced idleness for US firing squads, electric chairs and gas chambers and presaged a marked acceleration in the rate of executions in recent years.

The last US citizen before Gary Gilmore to be killed for his crimes was Luis Monze, who perished in a Colorado gas chamber in 1967. The first to die after Gilmore was not executed until 1979. A further 66 Death Row inmates have now shared Gilmore's fate across the 37 states which have passed new death penalty statutes.

The reason behind the 12-year hiatus (Gilmore might still be alive today but for opting to waive his appeal rights) was a series of court decisions in the late 1960s and early 1970s which highlighted the capricious nature of capital punishment. Eventually, the Supreme Court effectively struck down the death penalty in 1972, only to uphold new laws including special sentencing procedures with more elaborate safeguards

four years later.

Willie (his real name cannot be used at the insistence of his attorney) is 23 and has been fighting a date with the gas chamber for 5½ years. He is one of 29 US Death Row inmates who committed murder as a juvenile (younger than 18) and is awaiting execution as an adult. A psychiatrist, paid by the state, testified in court that Willie is, and always will be, a danger to society.

Of the prisoners who have been executed since the US Supreme Court allowed the practice to resume in 1977, six committed their crimes while juveniles. Thirty-six states allow capital punishment for the young, almost always for particularly vicious crimes. Indiana sets the minimum age for the penalty at 10 years of age, and Montana at 12.

Thus far, however, American Death Rows contain no children. The youngest to be condemned to the death watch now are two black men, one in Arkansas and one in North Carolina, who were found guilty of robbery and murder at the age of 15.

Willie looks like an ordinary young man—skinny, prominent blue eyes, wearing a bandana to conceal hair loss. He was convicted of involvement in a drug-alcohol-related rape-murder along with four other defendants. One of the accused turned state's evidence, testified that Willie had committed the murder, and was given probation. Two others received five-year sentences and are now free on parole. The fourth is serving



Gilmore: execution marked renewal of death penalty.

Amnesty International yesterday accused the US of being one of only five countries that executed minors, and attacked the death penalty in the US as arbitrary, racially biased and a violation of international accords. Reuter reports from New York.

The human rights organisation said the death penalty in the US had become "a horrifying lottery," in which politics, money, race and where the crime was committed could decide whether a defendant went to the death chamber.

Amnesty deplored the fact that several people executed or awaiting the death penalty were mentally ill or under the age of 18.

Four of the six juvenile criminals executed since 1977 were from Texas, the state holding the record for the most executions. To make its execution "more humane," Texas has begun the practice of death by lethal injection. In December the state attorney general, Mr Jim Mattox, acknowledged that one of the 19 men executed since 1962 may have been wrongly sentenced to die. Two others on death row also probably should not be punished by death, he said.

Civil rights attorneys believe he may be referring to men who were convicted of being accomplices in murders and not the actual gunmen. One study two years ago showed that in 35 out of 55 cases, executed men were accomplices rather than the actual murderers, who testified for the state and were given lesser penalties.

Certainly, the restitution of the death penalty would appear to be in accordance with the public's wishes. Capital punishment is favoured by 70 per cent of Americans, according to a 1986 Gallup poll, and as such is a surefire vote-winner—one of the surest there is, although support drops off when the question of extreme youth is raised.

This augurs badly for the 1,500 or so Death Row inhabitants—a figure which has multiplied more than four times since that morning when they pinned a round, white target to Gary Gilmore's T-shirt and fired four bullets and a blank at the killer's heart.

Students call off strike at Mexican university

BY WILLIAM ORME IN MEXICO CITY

A STUDENT strike at Mexico's National Autonomous University (UNAM) in Mexico City ended peacefully following agreement by the authorities to suspend academic reform programme and submit future proposed scholastic changes to a university "congress."

The congress, which has yet to be convened, will be composed of elected representatives of teachers, students, administrators and staff workers, according to a plan accepted by university authorities last week.

The creation of a democratic university congress with regulatory powers was a demand of the student strike movement. UNAM administration

also promised not to take reprisals against strike leaders and agreed to extend the academic year to make up for lost class time.

On Tuesday afternoon, 19 days after the shutdown started, student leaders removed banners and barricades from the huge UNAM campus and allowed staff to return to their offices.

With 190,000 graduate and undergraduate students and 150,000 pupils in its affiliated preparatory schools, plus some 50,000 staff and faculty employees, UNAM is among the largest universities in the world.

US tax reform hits issue of building permits

BY NANCY DUNNE IN WASHINGTON

THE NUMBER of building permits issued in January showed the sharpest monthly fall in this country since US Commerce Department said, reflecting the adverse impact of tax reform on multi-unit residences.

The seasonally adjusted annual rate of housing units authorised fell by 12 per cent, from 1.5m in December to 1.7m in January.

Authorisations for buildings with five units or more, which no longer carry the tax advantages of the past for investors, dropped 30 per cent during the month, while single-family home permits fell 6 per cent.

Bankers fear delay in Brazilian payments

BY IVO DAWNAY IN RIO DE JANEIRO

FEARS ARE growing among foreign bankers in Brazil that a delay on the payment of interest on the country's debt—probably through a centralisation of exchange controls—is imminent.

With January's \$129m trade surplus at the lowest monthly level since 1982, the common view in Brasilia is not so much "won't pay" as "can't pay."

The measure would involve the compulsory channeling of all foreign exchange transactions through the central bank—a step last adopted in mid-1983 at the height of what may now be considered the country's first debt crisis.

Private sector bankers, state corporations and other borrowers from international commercial banks now pay their interest by exchanging cruzeiros for dollars with the central bank. But the process functions automatically and without restrictions.

If the so-called centralisation of exchange takes place, the central bank will take up the right to delay payments, setting priorities for which commitments must be met first.

In 1983, this gave precedence to short-term lines, trade credits and essential imports such as oil and food. But interest repayments on medium term lending got low priority, undergoing delays on repayments of up to six months.

Though such late payments were enhanced by additional

Bankers fear delay in Brazilian payments

accrued interest, the move provoked "outrageous" bureaucratic problems in assessing liabilities, one foreign banker said yesterday.

Mr Dilson Fumero, the Finance Minister, has denied that any such measure, let alone the more radical option of declaring a ceiling on debt repayments, is in the pipeline.

Others, among them Mr Jose Hugo Castello Branco, the Finance Minister, said it was a matter of time before the arithmetic makes such a move inevitable.

At current interest rates, Brazil needs to earn a monthly trade surplus of some \$800m to cover its debt commitments, yet, according to Cacex, the

export agency, a full recovery of the monthly surplus to the \$1bn a month recorded in the first half of last year is unlikely before June.

Until then surpluses may continue to bumpy along at little over \$100m, threatening to further deplete crucial foreign reserves thought to be possibly under \$4bn.

But the rapid deterioration in Brazil's economic prospects appears to be having positive repercussions for the foreign banks in the political arena. Until recently, many left-wing politicians were arguing vigorously for a full moratorium on the country's \$104bn foreign debts.

OVERSEAS NEWS

Revenue officials raid offices of BAT's India offshoot

BY JOHN ELLIOTT IN NEW DELHI

OFFICES and cigarette factories of the Indian offshoot of British American Tobacco (BAT) have been raided in major Indian towns and cities by Finance Ministry revenue intelligence officials investigating alleged duty evasion.

Last night, the ministry claimed that evidence obtained during the raids substantiated its officials' allegations that the company, Indian Tobacco (ITC), had been "evading central excise duty on a wide scale."

A spokesman for the company said the raids were "routine inspections" and had "nothing to do with evasion."

ITC, 32 per cent owned by BAT, is India's leading cigarette manufacturer and has diversified recently into hotels and other businesses. It is the third multi-national company to be caught up in the Finance Ministry's attack on alleged business corruption.

Last year, the Indian offshoots of Brooke Bond and Bata were raided. Both subsequently issued public apologies and negotiated settlements with the Finance Ministry on their

alleged breaches of foreign exchange and excise duty regulations.

The raids on ITC are politically significant because they are the first on a major company since Mr Vishwanath Pratap Singh, the Finance Minister, was suddenly switched last month by Mr Rajiv Gandhi, Prime Minister, to be Defence Minister. Mr Singh had been widely criticised by industrialists for the style of the Indian Government's crackdown.

Industrialists were last night interpreting the raids as a signal from Mr Gandhi, who is temporarily holding the Finance Ministry portfolio, that the campaign is to continue. But they thought that it would be conducted in a less controversial style, without repetition of earlier arrests of prominent industrialists.

The Finance Ministry last night continued with its controversial practice of publicising its allegations. Officials of its Directorate of Revenue Intelligence and Anti-evasion had raided ITC's Calcutta head office, five factories, 23 district and branch offices, and more than 90 wholesale dealers throughout India.

Australia's external debt tops \$A100bn

BY CHRIS SHERWELL IN SYDNEY

AUSTRALIA'S gross external debt rose for the first time above \$A100bn (\$45.4bn) in the three months ending last September, the Bureau of Statistics confirmed yesterday.

The figures, broadly in line with expectations, reflected both increased foreign borrowing and the continued weakness of the Australian dollar.

They were promptly criticised by Mr John Howard, the leader of the opposition Liberal Party. Treasurer Paul Keating, he said, had "made history as Australia's 'hundred billion dollar man'."

Mr Bob Hawke, the Prime Minister, drew attention to the impact of Australia's depreciating currency on an external debt which is measured in Australian dollar terms. Almost half of the increase in debt since mid-1984 had been caused by this, he said.

The Statistics Bureau put gross external debt in September at \$A101.36bn, up from \$A91.18bn in the previous quarter and \$A70.96bn a year earlier.

Net external debt, measured after subtracting leading abroad and official reserves, increased to \$A80.71bn from \$A72.03bn in the June quarter and \$A53.76bn in September 1985.

The country's external debt has been rising rapidly since mid-1983.

Gross foreign debt stood at \$A55.6bn in June 1983, and has since almost trebled between then and now. The currency has weakened from 87 US cents to 66 US cents in the same period.

In the September quarter of last year, the currency averaged around 60 US cents. On a trade-weighted basis, it was around 50 (May 1970-100), although latterly it has been hovering around 53.

The relative strengthening of the currency since last September is likely to have dampened further increases in Australia's foreign debt levels.

Although the debt burden is heavy and a constraint on the economy, well over half of it is private-sector debt. There is also little doubt of resource-rich Australia's capacity to repay.

Druze intensify Beirut attacks

BY NORA BOUSTANY IN BEIRUT

DESPITE a frantic Syrian drive to halt a major confrontation between the Shi'ite Amal movement and left-wing Lebanese militias sympathetic to the Palestinian guerrilla movement, tank battles and rocket attacks intensified yesterday as Druze and Communist fighters sought to isolate Amal pockets in the war-torn Moslem half of Beirut.

A warning by Syria's military intelligence chief, Brig Chazi Kanash, that he would call in more Syrian troops to West Beirut unless combat stopped within the next 24 hours fell on deaf ears, with rival Druze and Shi'ite militiamen fighting street-to-street battles with rocket-propelled grenades and anti-aircraft guns, and launching counter-offensives to regain lost ground.

A push to break the Shi'ite Amal's domination of West Beirut by Lebanese Communist Party regulars, Druze warriors of the Progressive Socialist Party and pro-Palestinian dissidents of the National Syrian Socialist Party continued unabated for the third day.

The casualty toll rose to at least 70 dead and 170 wounded, according to hospital officials and reports compiled by local radio stations.

The unnatural alliance between Lebanese left-wing groups and the Shi'ite Moslem camp, born out of opposition to Christian supremacy in Lebanon's out-dated power-sharing formula, was in tatters with this latest contest of force that threatened to upset a balance that has favoured the Shi'ite community since February 1984.

The ferocity of the battles notwithstanding, it was not clear that the joint effort to dislodge Amal as the undisputed master of Beirut's jungle had achieved its objective yet.

A military spokesman for Amal, however, noted that the Shi'ite militia was in a corner and described the fighting as "very dangerous."

Intercepted radio messages revealed that the Amal command was unable to get reinforcements in men and material from South Lebanon or the Bekaa.

The Druze PSP militia of Mr Walid Jumblatt severed mountain roads linking Beirut's mainly Shi'ite southern suburbs to the Bekaa region and also blocked off coastal access routes to Southern Lebanon.

Though it was impossible to check out the progress of the various militias on the ground, it was established that Lebanese Communist Party regulars and PSP fighters had managed to drive Amal out of the key Tariq Jaded Avenue, previously a Sunni Moslem stronghold and thus a demographic and geographic extension of besieged Palestinian camps on the southern edge of Beirut.

An announcement by the Amal chief, Mr Nabih Berri, to lift a food blockade on Palestinian refugee settlements

ringed by his militia for the past four months did not help ease the fighting.

Combat raged around the Hamra district, especially the building straddling the Green Line splitting Beirut into Moslem and Christian halves, said it appeared there were attempts to storm the skyscraper.

The Murr Tower, a landmark Amal fortification complete with interrogation cells and prisons, fell to Amal hands on February 6, when a coalition of Shi'ite and other Syrian-backed paramilitary organisations drove the Christian-commanded Lebanese Army of President Gemayel out of West Beirut.

Residents near the Murr Tower, an unfinished high-rise building straddling the Green Line splitting Beirut into Moslem and Christian halves, said it appeared there were attempts to storm the skyscraper.

The Murr Tower, a landmark Amal fortification complete with interrogation cells and prisons, fell to Amal hands on February 6, when a coalition of Shi'ite and other Syrian-backed paramilitary organisations drove the Christian-commanded Lebanese Army of President Gemayel out of West Beirut.

Ramos to stay on, says Aquino

PRESIDENT CORASON AQUINO OF THE PHILIPPINES

PRESIDENT CORASON AQUINO of the Philippines yesterday rejected suggestions that Gen Fidel Ramos is about to be removed from his position as Armed Forces Chief of Staff in a widespread reorganisation of the military, Richard Gourlay writes.

Mrs Aquino rejected the idea at a Cabinet meeting after a leaked report to a Manila newspaper from a military intelligence agency said restiveness was growing among officers about Gen Ramos's leadership.

It is the latest incident reflecting recurring friction within the ranks of the armed forces and between military leaders and close advisers of President Aquino.

The report accused Gen Ramos of being "weak and vacillating" in the way he is handling the campaign against Communist insurgents and discipline within the badly-divided ranks of the military, the Manila Chronicle said.

Senior Government officials leaving the Cabinet meeting said Mrs Aquino reiterated her support for Gen Ramos, and said he would remain in the armed forces until the end of the three-year term allowed in a newly-passed constitution. Soviet experts.

Libyan executions

Libya has televised six men being hanged and three soldiers shot by firing squad in the country's first reported public executions in three years, Reuter reports.

The nine were accused of treason and various acts of sabotage, including plotting bombings and assassinations.

Libyan Television, which screened the executions last night, said one of the soldiers had attended meetings "with the intention of assassinating Soviet experts."

Universities shut

All five Arab universities and three colleges in the occupied West Bank and Gaza Strip were closed yesterday, Israeli officials said. A Palestinian was killed and two Israeli soldiers wounded in the tenth consecutive day of fighting, AP reports.

Israeli military officials said a "driven by a Palestinian" near the West Bank city of Nablus, knocking down two soldiers before the driver was killed.

Two Malaysia politicians charged in co-op scandal

BY WONG SULONG IN KUALA LUMPUR

TWO PROMINENT Malaysian Chinese politicians were charged in court yesterday with criminal breach of trust in connection with the financial scandal surrounding the country's deposit-taking co-operatives.

Mr Wang Choon Wing, Deputy Minister in the Culture, Youth and Sports Ministry, was charged with misappropriating Ringgit 1.5m (\$355,000) while Mr Kee Yong Woe, former Deputy Trade and Industry Minister, faced two charges of misappropriating Ringgit 3.2m.

They were alleged, together with two others, to have taken the money from Komuda, the young Malaysians economic development co-operative some time in May last year when they were directors.

All four pleaded not guilty, and were allowed bail totalling Ringgit 5.5m. The case will be transferred for hearing at the high court on February 27.

Mr Kee is head of the youth wing of the Malaysian Chinese Association (MCA), the Chinese partner in the Malay-dominated coalition government, while Mr Wang is an MCA central committee member.

Mr Kee is also a prominent property developer.

Komuda was among 23 deposit-taking co-operatives placed under receivership by the Government last month.

A Government White Paper published last December said the 23 co-operatives had lost more than \$300m (\$214m) due in part to speculation in the property and share markets.

FOR THE first time since the Lebanese civil war began nearly 12 years ago, the Communist Party of the Lebanon has emerged as a major actor in one of its many violent scenes.

It sparked off the latest round of fighting in West Beirut—the worst since November 1983—when the mainstream Shi'ite Amal militia encroached too close to its headquarters.

It was a minor territorial dispute of the kind that over the years has frequently led to outbreaks of firing in the streets.

On this occasion, however, it escalated because of growing strains relating to Amal's dominance in West Beirut and the return of the Palestine Liberation Organisation's armed presence to the south of Lebanon.

It was sufficient, for the time being at least, to snap the strained alliance between Amal and the powerful militia of the mainly Druze Progressive Socialist Party.

The Communist Party has kept a low profile in the evolving Lebanese drama but it has always been a player if only a minor one—small but perfectly formed," as one Western diplomat put it yesterday.

Founded in 1925, it can claim to be the oldest political body in the country. Together with the Syrian National Socialist Party—which believes

Lebanese communists step on to the stage

BY RICHARD JOHNS

THE Lebanon should be incorporated into "Greater Syria"—it is exceptional in being non-sectarian.

Mr Hussein Mroweh, one of its leading intellectuals, who was assassinated by unidentified gunmen on Tuesday, comes from one of the most prominent bourgeois Shi'ite families. Christians, though, tend to

as the US built up its naval presence in the Eastern Mediterranean, the party held its fifth general congress in Beirut, just south-east of the capital.

The occasion was honoured by the presence of one of the Soviet Union's Central Committee's top foreign affairs experts Karin Berens, who took

the opportunity to warn against the American military intervention.

It was addressed by Mr Abdullah al-Ahmar, Assistant Secretary-General of the Syrian Ba'ath Party and also Mr Walid Jumblatt, the Druze leader.

Their participation was entirely to be expected because the party has maintained close and loyal links with Moscow and, hitherto, Damascus.

Equally predictable, if less logical, was the attendance of Mr Walid Jumblatt, who remains very much a feudal chieftain in the manner of his father who, nevertheless, was awarded the Order of Lenin for services to the cause which have never been very clear.

In 1976, during the first phase in the civil war, Mr Jumblatt was the prime mover in the formation of the "National Movement" set up to confront the Christian alliance.

Other members were the SNRP, the CPL, the Ba'ath Party, the PLO, the Syrian Arab Republic, and the Murratun (the Sunni militia more or less obliterated by Amal last summer). Their common cause, apart from ending Maronite Christian hegemony, was support of the PLO.

Amal has now accused Mr Jumblatt, the CPL and the PLO of trying to resurrect the "National Movement"—though the Druze leader, with his call for a "Lebanese-Palestinian alliance," is clearly anxious not to alienate the Damascus regime.

The latest conflict can only strain the Communists' ties with Syria, but, by the same criterion, must complicate Syria's relations with Moscow which continues to support the mainstream PLO led by Mr Yassir Arafat.

It is one of those contradictions which abound in the kaleidoscopic chaos of Lebanon where, on the Palestinian issue, Syria finds itself opposed by its allies Libya and Iran which are pursuing the same line as its pro-PLO enemy Iraq.

The Communist Party has kept a low profile in the evolving Lebanese drama, but has always been a player if only a minor one—small but perfectly formed," as one diplomat puts it.

preeminence—as they do in the Marxist factions of the Palestinian movement.

In typical Lebanese style its membership, numbering only 1,000-2,000, has tended to be bourgeois, albeit somewhat petit, and Mr George Hawi, its leader, is very much a businessman of the white-suited variety.

At the same time, the CPL has a small but well-equipped and well-trained fighting capability. Hitherto, it has concentrated on collaborating with the non-Islamic "Lebanese National Resistance" in the south of the country and in particular, Marxist Palestinian factions.

Despite the turmoil and tension last month over hostages,

WORLD TRADE NEWS

British Airways orders Boeings

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS, the newly privatised UK flag airline, has placed a \$150m order with Boeing of the US for a further three twin-engine short-to-medium range 737 jet airliners and one four-engine long-range 747 Series 200 jumbo combined passenger-freighter jet.

This deal follows that announced late last year for 16 of the advanced, very long-range Boeing 747 Series 400 jets, for delivery from 1988-89, with another 12 on option, which eventually will cost over \$40m.

The new orders are necessary to help the airline meet traffic growth on both short-to-medium haul routes in the UK and Europe and on long-haul operations world-wide. The airline has pursued for some time a policy of buying new aircraft progressively to meet expected traffic growth.

Deliveries of these latest jets will start next year, and will bring BA's total 737 fleet to 29 aircraft, and the 747 jumbo fleet to 13 aircraft.

Rolls-Royce will get a substantial share of the deal, for its RB-211-535C engines, which will power each 737, while the more powerful RB-211-524D "upgraded" engines will be used on the 747s.

Short Brothers, the Belfast-based aerospace manufacturer, has won an order from Philippine Airlines (PAL) for four of its Type 380 38-seat turbo-prop airliners, with an option on two more, worth in all about \$30m. Delivery will start later this year.

Sir Philip Foreman, chairman of Shorts, said that this latest order for the 380 followed previous deals with China, Thailand, and Malaysia, and brought to more than 50 the number of Shorts-built airliners operating in the Pacific basin.

The aircraft for PAL are being supplied under operating leases from the Shannon-based GPA aircraft leasing finance organisation, which is buying the aircraft from Shorts Brothers.

Singapore ship design company wins orders

By Steven S. Butler in Singapore

VOSPER-QAF, the wholly-owned subsidiary of QAF, the Brunel-controlled diversified investment company, has announced a pick up of orders for its naval design and logistic support services.

It has concluded a design licensing agreement with what it describes as a major East Asian navy for up to 16 anti-submarine patrol vessels, along with \$53.5m (\$1.7m) of orders for specialised equipment for these craft.

Work on six of the vessels has started, which would bring royalties of \$51.5m. Total value of the vessels, which are not being built by Vosper-QAF, is \$860m.

Mr Brian Morrison, managing director of the company, said that Vosper-QAF was currently pursuing new international contracts in excess of \$500m and expected a sharp increase in the company's business volume, which this year is expected to be in the range of \$415m.

The company concentrates on the design of specialised naval vessels ranging in size between 60 and 12,000 tonnes.

Vosper-QAF until January of last year was the Singapore subsidiary of Vosper, the listed UK company that went into receivership last year. When the Singapore subsidiary was placed into liquidation, QAF purchased the company's intellectual design property and set up a subsidiary that retained its commercial design, quality control, logistic support and commercial staff.

Polish car factory prefers Daihatsu deal to Fiat's

By CHRISTOPHER BOSINSKI IN WARSAW

POLAND'S FSO car factory is urging the Government to accept an offer by Daihatsu, of Japan, to modernise the company's Warsaw works. Daihatsu's rival for the work is Fiat of Italy.

The project which aims to produce 120,000 units a year of a new medium-sized model with around 30,000 cars destined annually for export to the West requires western financing of up to \$200m and a domestic input of about 21,150m (\$625m).

The FSO democratically elected workers' council is empowered to approve investment decisions and the fact that it gave the edge to the Daihatsu offer strongly implies that the works' management is also in favour of the Japanese bid.

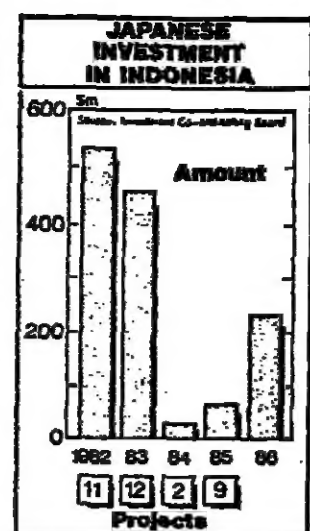
The council concluded that Daihatsu was offering a more modern model than Fiat which would involve lower production and energy costs and would be cheaper to run once sold. It

SLOWLY but surely Japan's presence in Indonesia is growing in a way not seen since the period of war reparations in the 1950s. This week Japan's Exim Bank extended a \$500m loan, the latest and most significant effort to prop up its ailing Asian neighbour.

Perhaps more remarkable, the loan is untied, at a time when Japan faces criticism from the US that it uses Government aid to bolster its export effort. The loan will provide badly needed local cost financing for development projects which might otherwise have been shelved.

Japan, Indonesia's leading trading partner, is already the main aid donor. However, Indonesia's economic downturn has been matched by an equally dramatic decline in Japanese private sector investment in the world's fifth most populous nation. As earnings from oil (Indonesia's principal export) collapsed, so consumer demand has all but dried up.

Meanwhile, Indonesia's high cost economy provides little in-



centive for exporters, with locally-produced goods remaining uncompetitive at international prices.

"It's no longer a matter of profit and loss," says one Western diplomat, commenting on

Japan's renewed commitment. "It's now a strategic necessity." More than any other Asian country Indonesia provides Japan with key raw materials, particularly oil and natural gas. At the same time, Indonesia remains vital to Japan's trade links with Europe and the Middle East, controlling as it does the Straits of Malacca.

Japan's new tack, coming ahead of Indonesia's national elections in April, could hardly be more timely for President Suharto. After devaluing the Rupiah by 45 per cent in September, the 65-year-old retired army general announced an austerity budget in January which offered little comfort to the country's 165m people.

Economists predict all or negative growth this year, a current account deficit of \$60m and a debt service ratio of close to 40 per cent, dangerously high at a time of shrinking exports.

Discussions are under way with the International Monetary

Fund over a possible loan under the compensatory fund facility normally reserved for non-oil commodity producers suffering deteriorating terms of trade. Bankers in Jakarta expect the government to tap the money markets in the first quarter this year and do not rule out the prospect of an IMF standby facility.

This latest Japanese loan, though likely to be less concessional, is seen to have few of the strings normally attached to a facility from the Fund. Tokyo's commitment also ends earlier fears that Japan was looking to China to diversify its raw materials supply at Jakarta's expense. For all that, the popular perception of Japan is wary, not to say suspicious. President Suharto last week warned that co-operation with Japan should be "mutually beneficial," suggesting the ambivalence that has long characterised relations.

Indonesia's head of investment, Dr Ghanjar Kartasasmita, recently delivered a stinging rebuke to Japan in response to charges that the investment climate in Indonesia was now worse than that of Malaysia and Thailand. The Tokyo-educated Mr Ghanjar said the Government would not "sacrifice basic principles to attract Japan."

Many people remember the anti-Japanese riots which flared during the visit to Jakarta of Mr Tanaka, Japan's former prime minister, in 1974, a time when Indonesia's capital city was said to look increasingly like Osaka or Tokyo.

Television advertising has since been banned and Japanese billboards have largely disappeared. Doubts persist, however: "We don't want to be monopolised," says Prof Barli Halim, head of investment at the time of the riots. "Our relations should always be in balance," he says, expounding the Javanese philosophy in all things.

Japan's capital has helped found most of Indonesia's major industries. Some \$52bn (\$222m) was invested in an iron plant in north Sumatra in the 1970s. Almost \$800m was sunk into the construction of

the Asahan aluminium project, also in Sumatra. From a high of \$480m in 1983, investment slumped to \$69m in 1985, recovering last year to \$288.7m, \$193.6m of which was absorbed by one petrochemical plant, a joint venture with Asahi Glass Company.

This apparent cold shoulder is all the more galling when Japan's private sector is trying to offset its huge \$80bn trade surplus to escape the high domestic costs of an appreciating Yen.

The Government has been lately been shocked into reform, improving the rules for investment to local partners and doubling areas open to foreign joint ventures. However, despite growing public criticism, many of the key industrial monopolies, the principal reason for the country's high cost economy, remain intact.

Paradoxically, some economists believe Japan's latest aid initiative, almost \$800m, will undermine the calls for reform.

Romanian trade falls 11%

By Leslie Collett in Berlin

ROMANIA SUFFERED an 11 per cent fall in the volume of its foreign trade last year mainly as a result of low prices for oil products which are an important Romanian export to the West.

Mr Nicolae Ceausescu, the Romanian President, said recently that a "compulsory norm" would have to be set under which at least 50 per cent of the increase in annual industrial output would be exported. "Unjustified consumption" at home, he said, was no longer acceptable.

Romania's net hard currency debt, estimated at more than \$60m, may have risen further because of the poor export performance.

Mr Ceausescu said a "balanced trade" would have to be achieved in order to "entirely eradicate, very soon," Romania's foreign debt. He said Romania would pay back ahead of time "several hundred million dollars" of debt and "at least \$10m" by the end of this year.

Romania is estimated to have more than 10m tonnes of idle oil refining capacity because of the depressed world oil market.

Swiss engineering expects downturn

The Swiss engineering industry is expecting poorer results this year because of the effect of the dollar's fall on orders, according to the Swiss Association of Machinery Manufacturers (VSM). John Wicks reports from Zurich.

The association said that the only question was how much poorer this year's figures would be than those for 1985. Its figures indicate that so far the full impact of the weak dollar had not been reflected in business volume because of the industry's long production lag.

For 1986 as a whole, turnover of the 200 leading VSM companies was up by 6.7 per cent to SwFr 19.2bn (\$12.5bn). However foreign orders were down in third and fourth quarters compared to 1985 figures.

Hungary-Italy accords

Hungarian Prime Minister Gyorgy Lazar and Italian Premier Bettino Craxi signed agreements renewing a bilateral economic co-operation accord of 1974, renewing Italy's \$150m line of credit to Hungary, and guaranteeing the promotion and protection of investments. AP reports from Rome. The statement said the accords serve to boost the bilateral commercial trade "which has been stagnant in recent times."

Turkey to favour foreign bidders that make offset arrangements

THE TURKISH Government is advising foreign companies bidding for tenders that it would give preference to those which can arrange offset deals for Turkish exports to cover part of their costs, an official in the Undersecretariat of the Treasury and Foreign Trade said yesterday, David Barchard writes from Ankara.

The move applies to all public sector import orders of more than \$1m, as well as all international tenders.

The official said that the move was aimed at countries such as Japan and the US with which Turkey had a permanently unfavourable trade balance.

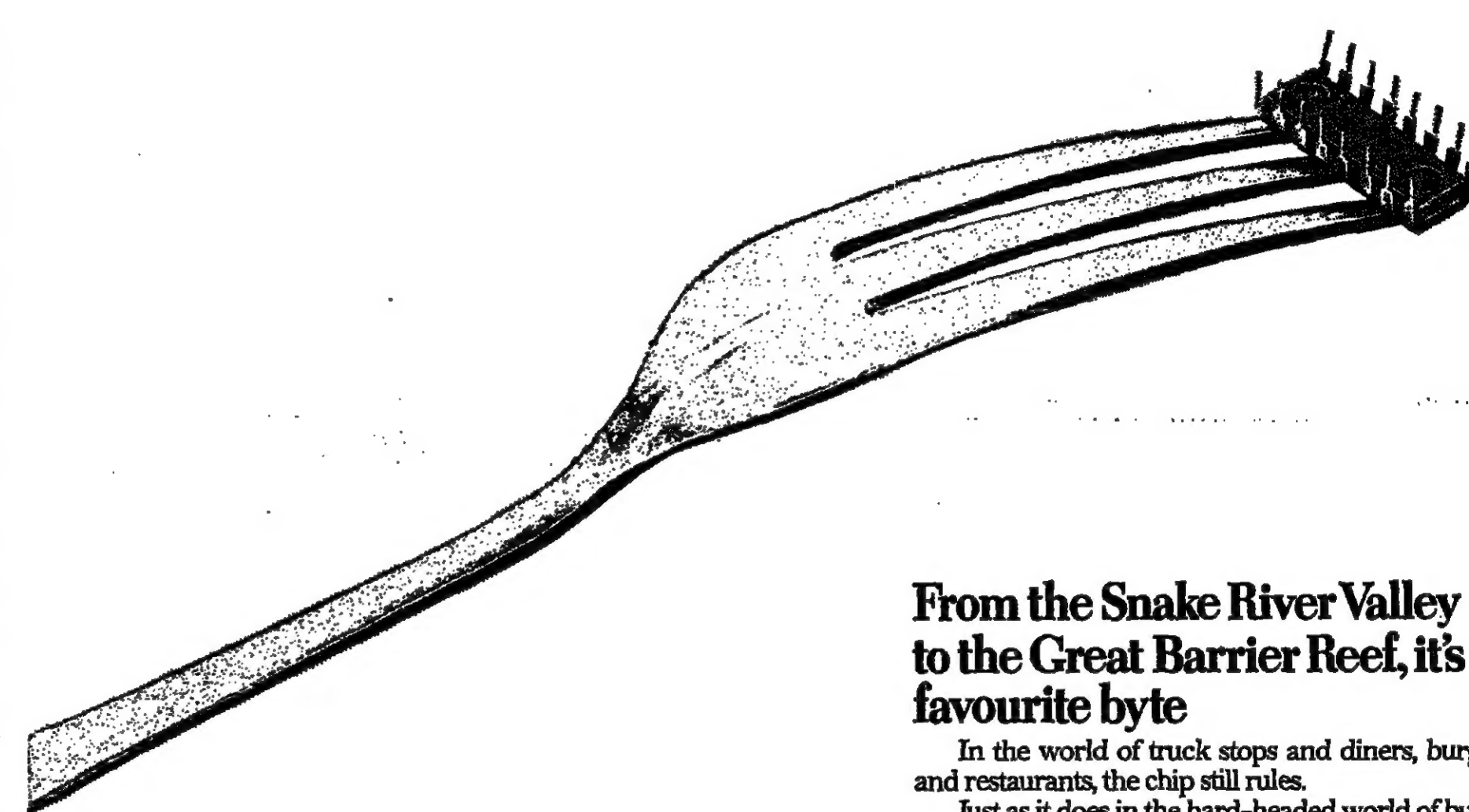
He said one or two Japanese companies had told the Turkish Government they would try to arrange offset deals. Sumitomo, which is expected to install Turkey's second television

channel network, is believed to have offered to find offset financing.

"We are not looking for direct offset deals, the official said, adding that the Undersecretariat of the Treasury and Foreign Trade is willing to help foreign companies interested in offset deals.

He added that the only major offset deal that Turkey had so far negotiated—a commitment by General Dynamics of the US for \$120m over ten years as part of a project to manufacture F-16 fighter jets—was so far proving disappointing.

"The offset is running at around half the expected level," Business circles here, however fear that if companies do make offset guarantees this might cause awards to be made to groups which would otherwise not have stood much chance of winning them.



From the Snake River Valley to the Great Barrier Reef, it's our favourite byte

In the world of truck stops and diners, burger bars and restaurants, the chip still rules.

Just as it does in the hard-headed world of business efficiency.

Across the Transport Development Group, we're committed to keeping business moving. And to efficiency.

Whether involved in distribution, warehousing, road haulage, cold storage or engineering, the many companies that make up our Group employ the highest levels of information technology.

Through a policy of progressive innovation, our companies have developed a range of transport and distribution systems specifically designed for today's demanding markets.

In dedicated and common-user warehouses, for clients as diverse as Sainsbury, Mars and Honda, TDG companies are able to pinpoint and control stock immediately. And deliver it swiftly.

With the backing of TDG's strong financial resources and immense industrial experience, these policies have more than paid off.

Over the last five years, we have achieved an impressive record of growth in the US, the UK, Europe and Australia—one that's seen Group turnover grow to more than £500 million this year.

Whether you're in Idaho or Queensland, Rotterdam or Runcorn, when the chips are down, you can count on us.



For more information about the Group and its activities, please write to Transport Development Group PLC, Windsor House, 50 Victoria Street, London SW1H 0NR.

Transport Development Group PLC

UK NEWS

Guinness chooses an aristocrat in the marketing stakes

MR ANTHONY TENNANT, who will become chief executive of Guinness next month, is one of the aristocrats of the wine and spirits industry.

One City of London colleague says: "He is a man with a world knowledge of the alcohol business. Mind you, give him the choice between a boring meeting and the races at Cheltenham, and there is no doubt that he would choose the races."

For all his old Etonian manner, Mr Tennant is credited with much of the success of Grand Metropolitan's IDV wines and spirits division, where he has been managing director since 1977 and chairman since 1983.

With a portfolio of brands such as Crofts sherry, Bailey's Irish Cream and distribution rights to products such as Grand Marnier, the division's operating profit has grown in the five years to 1985 from £36.2m to £149.6m.

Hired because of his marketing talents, Mr Tennant's immediate task at Guinness will have more to do with public relations. His will be the critical job, alongside Sir Norman Macfarlane, the chairman, of restoring the company's confidence and credibility.

Guinness's reputation - and its share price - have been savaged by

the Department of Trade and Industry's investigation into share dealings during its takeover of Distillers, the Scottish whisky and drinks group, last year.

The investigation led to the resignation of Mr Ernest Saunders, the former chairman and chief executive of the Guinness business as it now stands.

Mr Tennant had been tipped as a possible heir apparent to Sir Stanley Grinstead, chief executive and chairman of Grand Metropolitan. In the event, Mr Allen Sheppard, group managing director of GrandMet, was appointed group chief executive last November.

One City analyst said: "This was and remains the right decision. GrandMet needs to project itself to the City, and Allen Sheppard is the man to do that."

The task facing a chief executive at Guinness is different. "The City is not looking for a charismatic figure in the mould of Mr Saunders," one analyst said. "Mr Tennant's appointment is a clear indication that Guinness will be concentrating on sorting out its core alcohol business."

"It signals that its other activities such as retailing are relatively low on the list of priorities and disposals should not be ruled out."

Guinness is already established

Lisa Wood profiles Anthony Tennant (right), Guinness's choice as chief executive, while below David Lascelles reports on Michael Julien, whose move to Guinness is the biggest blow yet to Eurotunnel

as an important international drinks business with brands including Johnnie Walker scotch whisky and Gordon's gin. The shorter-term strategy, as devised by Mr Saunders, is currently being implemented by the able body of senior managers he recruited.

These include Mr Vic Steel, managing director of the beverages business, who is currently rationalising and reorganising at Distillers. Mr James Espey, his deputy, was formerly managing director of IDV's UK business.

The major task of Guinness's new chief executive will be to re-examine the longer-term strategy of a drinks business which had set its sights on being the world's major beverages company.

Friends - and critics - of Mr Tennant see him as capable of successfully re-examining and re-presenting that strategy to the City. However, while Mr Tennant at IDV may have identified acquisitions - such as Heublein, the US drinks business which was bought by GrandMet last month - it was Sir Stanley

Grinstead who established the broader corporate strategy.

It is obviously yet to be seen whether Mr Tennant will develop a close working relationship with Michael Julien, the Eurotunnel deputy chief executive who joins Guinness next month as its managing director for finance.

Mr Tennant's predecessor was very much a hands-on manager who enjoyed being involved at every level of his business. Mr Tennant is said to be more aloof and a delegator.

However, a business colleague said: "Just because Anthony has a much quieter style than Ernest Saunders, it does not mean that he will not be just as ruthless in ensuring he has a professionally managed business. Neither is he a short-term fixer. He is a long-term thinker with a clear, cool brain."

One of the major tasks facing Guinness is the re-focusing of its Scotch whisky business. Critics of Mr Tennant point out that J & B Rare, IDV's major Scotch whisky brand, has lost market share in the

US, the single most important scotch whisky market. That market share was picked up by Distillers with its Dewar's brand.

However, Mr John Dunsmore, of Wood Mackenzie, the Edinburgh-based stockbroker, said: "IDV was in the long term more sophisticated than Distillers. It recognised that the US was a saturated scotch whisky market and decided that it was better to expand new whisky markets internationally and develop new brands in growth categories within the US."

"So, while Dewar's is the number one scotch whisky brand in the US, it has declining volume sales worldwide. In contrast J & B Rare has more than made up for lost sales in the US in new markets. In addition, it has developed the sales of dynamic brands such as Absolut Vodka and Grand Marnier."

New brand development has consistently been acclaimed as a strength of IDV and, in similar proportions, a major weakness of Distillers. Guinness's gain must be Grand-



Met's loss. However, Mr Tennant's departure is viewed by GrandMet with mixed feelings. His marketing talent will be sorely missed. But he has built up a strong team, according to the City, with Mr George Bull, IDV's chief executive, enjoying a good reputation among his peers in the drinks industry.

There is also an internal political dimension. Upon Mr Sheppard's appointment as chief executive, Mr Tennant was appointed deputy

group chief executive with responsibility for all GrandMet's drinks interests, which include brewing. It was a large group of responsibilities that some in the City believed to have been specifically created to accommodate Mr Tennant.

GrandMet's announced yesterday that the vacant post will not be filled and the respective companies will now report directly to Mr Sheppard.

Indicators favour autumn election

By Janet Bush

SEVERAL KEY economic indicators will be running in the Government's favour if it chooses to hold an autumn election, according to the latest forecast by the Oxford Economic Forecasting group.

The group suggests that the official unemployment total should have fallen to under 3m by this stage in the year, that the rate of inflation, although on a rising trend, should still be under 5 per cent and that consumer spending and retail sales would have remained buoyant as real incomes continued to rise.

It noted that, although the Government had benefited from unexpectedly weak commodity prices, it had also had to cope with the effects of the sharp fall in oil prices on the current account and its own revenues and still-high earnings growth.

"Against this background, the Government has arguably been fairly successful in creating the economic climate and short-term prospects which should further its chances of being re-elected," it said.

Taking a longer-term view of the economy beyond a possible election in the autumn, the group points to some enduring problems. For example, it suggests that most of the fall so far in the official unemployment total had been due to the expansion of the Government's special employment and training schemes. Further reliance on these schemes under its assumption of a fall in unemployment below 3m.

On inflation, earnings growth is expected to slow only a little over the next two years, and the effects of sterling's decline and prospects for a continuation of its downward trend will put upward pressure on both manufacturers' input prices and on the prices of imported manufactured goods.

These pressures are expected to push retail price inflation up to around 5 per cent by the end of the year, despite the recent weakness of the dollar and an easing in labour costs.

● The budget should provide the climate for an early cut in interest rates to help industry expand, Mr David Nickson, president of the Confederation of British Industry (CBI), said yesterday.

In a speech to business leaders in the City of London he said that the current level of interest rates against competitor nations prevented British business from expanding more quickly and restrained investment and overseas sales.

He said Mr Nigel Lawson, Chancellor of the Exchequer, should not do anything in the budget which would risk any weakness in sterling and, therefore, higher interest rates. "We have a unique window of opportunity. The terms of trade have improved by 17 per cent against our competitors. What we need is stability," he said.

Mr Nickson also called on businessmen to take a longer-term view and urged an end to what he described as a "make a quick buck" short-term philosophy.

"We need to be able to invest, confident in the knowledge that expenditure and investment for the future, which may not produce returns for shareholders for three, five or 10 years or more, can be undertaken."

Eurotunnel loses one of City's sharpest minds

OF ALL the shocks which Eurotunnel has suffered in its brief but turbulent existence, the departure of Mr Michael Julien, the deputy chief executive, to become Guinness's managing director for finance, must be the greatest.

It was not only totally unexpected, but it deprives the Anglo-French company of its top executive on the British side - and one of the sharpest minds in the UK financial establishment.

Not surprisingly, Mr Julien spent most of yesterday trying to reassure astonished callers that he was not quitting a sinking ship but was leaving for sound commercial and career reasons - and that he still believes the tunnel stands a strong chance of being built.

"I rate the prospects exactly the same as before. The boardroom problems and the publicity have not

helped. But they have made people much more conscious of the importance of this project."

When Mr Julien, who is 48, accepted the job last July, he seemed to have the ideal qualifications. His background combined industry (as finance director of BICC) and finance (three years of troubleshooting at Midland Bank, where he helped dig itself out of the huge hole created by Crocker National Bank).

Articulate and capable of considerable charm, he also possessed precisely the powers of persuasion needed to get the historic project off the ground.

But whereas last July Mr Julien was talking of Eurotunnel as "a unique challenge", yesterday he was implying that he no longer felt his skills were appropriate to it. "I have

not filled any big holes here at all," he said.

He justifies this rather surprising statement by pointing to the huge amount of work that has been done at Eurotunnel in the last six months to put an effective team together.

"We have good project people, good finance people. The new chairman (who will be announced on Friday) will also be able to handle the public relations and the marketing side of the project. Therefore, I asked myself: what is my role here?"

What Eurotunnel needs now, he says, are project management and engineering skills "and these are skills which I have not got."

However, Mr Julien could be misjudging his skills. He himself admitted yesterday that, while Eurotunnel now seems to have stronger political support and enjoys the

backing of the banks, "the investment community still needs to be convinced."

This would strike those people who know him as precisely the area where his skills are strongest. But Mr Julien believes that the other members of the Eurotunnel team he has recruited on the financial side have all the abilities needed to draw in the investors.

He rated Eurotunnel's chances of completion at "well over 50 per cent" but declined to be more precise than that "because there are other risks in the way."

But he felt encouraged by all the recent controversy about the project because this had raised awareness of the magnitude of the task and ensured "that it will not be left to tumble on its own. It needs the support of the establishment if it is

to succeed. The French have always been more conscious of this."

Mr Julien denies that he is angling for the Guinness job or signalled his availability. From the very first day of his appointment to Eurotunnel, he says, the headhunters were sending him letters trying to persuade him to move.

"They just won't take no for an answer." So when the headhunter from Guinness came, "it was nothing new, but it was a very particular opportunity."

So Mr Julien will now observe the tunnel's progress from Guinness headquarters in Portman Square - if he has the time. It seems unlikely that he would have made the switch if Guinness was scandal-free and running smoothly: he has a taste for difficult situations which give him scope for self-expression rather than standard solutions.

"A very large company has to be put together there. There is the whole process of merging Distillers and Bells and creating what is effectively the third-largest drinks company in the world. That would be a major task even without recent events. It's something to get my teeth into, I'm a bit of a glutton for these sorts of things."

The "anonymity" as he calls them, that Guinness has suffered are not so deep-rooted that they cannot be cured. And the job, he believes, is to make the most of the public's short memory and also, to some extent, its ignorance of what Guinness is all about.

"How many people connect Johnnie Walker with Guinness?"

He thinks Guinness is "a super company, and I'm sure it will move on to the high lands."



Michael Julien: still believes in tunnel

Working changes may threaten 50,000 jobs, says pit union

BY CHARLES LEADBEATER, LABOUR STAFF

REVOLUTIONARY CHANGES in mining technology and working practices planned by British Coal could lead to the loss of more than 50,000 coal mining jobs over the next few years, the National Union of Mineworkers (NUM) warned yesterday.

A special report in the union's journal, *The Miner*, says the proposed changes to working practices will be the most important industrial issue facing the union in the next year.

Sir Robert Haslam, British Coal's chairman, is seeking to persuade the unions to accept far-reaching changes in working practices, including the introduction of six-day production, to ensure that investments in capital equipment are fully utilised.

While local negotiations have begun on the introduction of six-day

production at the proposed mine at Marmans, South Wales, there have as yet been no national talks on the changes.

The report makes it clear that the NUM and British Coal could be heading for a clash over the proposals to change working practices.

The special report gives a warning that many of the changes will lead to worse working conditions and higher accident rates. Plans to open some pits for six-day coal production, with miners working four longer shifts rather than the traditional five, would make it almost impossible to achieve reductions in the working week in the future, the report says.

British Coal plans to raise productivity by further cuts in coalface teams. Five-man face teams are standard at the modern Selby pit in Yorkshire, and British Coal plans to

introduce the first two-man coal-faces later this year.

The report also says that a government review of the health and safety legislation of mines is being undertaken. It claims that wholesale changes to regulations governing the use of electricity, explosive, mines transport and winding gear have already been drafted.

Plans to raise productivity through the introduction of new bonus incentive systems will lead to higher accident rates, the union says. It also gives a warning that plans to cut craftsmen's jobs through the introduction of automated maintenance systems, and automatic fire protection devices, and proposals to increase the use of private contractors, will lead to a higher accident rate.

Productivity call, Page 8; Editorial comment, Page 14



1987 good reasons to see Thailand this year

Majestic temples and magnificent elephants, glittering roofs and garlands of orchids, enchanting people and exotic cuisine...one could write a long book about the land they call Thailand (and many seasoned travellers have). And never has there been a better year to see Thailand than 1987. For this is Visit Thailand Year in the Land of Smiles.

Among the kaleidoscope of festivities planned for 1987 you should try to catch some of these:

Feb. 13-15. Chiang Mai Flower Festival. A million blooms, a thousand smiles. One of the unforgettable moments of your life.

April 13. Songkran Festival. A nationwide water festival celebrating the Thai Lunar New Year.

May 9-10. Bun Bang Fai Festival. "Bang!" indeed. Held in northeast Thailand, a fireworks show like no other you've ever seen.

Oct. 16. Royal Barge Procession. An armada of brilliant colours, pageantry and rare splendour not to be missed.

Nov. 5. Loy Krathong. Celebrated nationwide, this is Thailand's loveliest festival.

Nov. 14-15. The Elephant Round-Up. Ever seen 100 elephants enact a medieval War Parade? You will if you come to Surin in northeast Thailand for this extraordinary display.

Nov. 22. Bangkok Marathon. A major sporting event commemorating His Majesty the King's 60th Birthday Anniversary.

Dec. 15. Light and Sound Presentation. A glittering occasion to be held at the Royal Grand Palace and the Temple of the Emerald Buddha.

These are only a small selection of the truly stunning special events that mark 1987 as Visit Thailand Year - a year full of festivities, flowers and fireworks.

Make your holiday plans now. And make sure you fly on Thailand's own airline, Thai International.

Where the exotic sensations that are Thailand start from the moment you step on board.



This announcement appears as a matter of record only February 1987



Weintraub Entertainment Group, Inc.

\$145,000,000
Revolving Term Credit Facility
Maturing in 1994

To be syndicated by

Bank of America NT&SA

Agent

Bank of America

Bank of America NT&SA

UK NEWS

Rover decision near as speculation favours Daf

BY PETER RIDDELL, POLITICAL EDITOR

A GOVERNMENT announcement on the future of the Rover Group, the state-owned car and trucks company, appears to be imminent, possibly later today, amid growing speculation at Westminster that control of Leyland Trucks will be sold to Daf of the Netherlands.

The timing is still not definite. This depends on final approval this morning by the Cabinet to which any recommendation by its economic strategy committee will have to be reported. Government officials refused to comment last night, given the sensitivity of the issue.

Mr Paul Channon, the Trade and Industry Secretary, is expected to announce substantial further support for the Rover Group, particularly to finance new investment for Austin Rover. This follows a request for between £350m and £400m of further backing in the corporate plan submitted last December.

The announcement is likely to concentrate on the disposals programme and the intention to privatise the group.

Growing speculation at Westminster about the sale of Leyland Trucks to Daf surfaced in a Commons motion tabled by Mr Malcolm Bruce, the Liberals' employment spokesman.

He claimed that the proposal would lead to the transfer of manufacturing to the Netherlands over five years with the direct loss of 7,500 jobs in the three plants at Watford, Lancaster and Glasgow and the consequential loss of around 15,000 additional jobs in dependent plants.

Mr Bruce, who was also pressed for an immediate government statement, said that Pecor of the US, the alternative bidder for Leyland Trucks, had "far greater financial strength" already owned Foden and had given the assurance of

maintaining employment in the UK.

The issue is certain to be raised in the House of the Commons today with controversy over both the possible scale of redundancies and the identity of the buyer.

Last night Mr John Smith, Labour's trade and industry spokesman, said the party believed that Leyland Trucks should stay in the public sector, being supported through to success. He did not believe it should be sold at all.

MPs from Midlands motor industry constituencies will be watching closely to see what Mr Channon says about future model developments at Austin Rover, and whether there will be developments of new cars at the lower end of the market.

MPs are concerned about the balance of development between the major plants at Longbridge, Birmingham, and Cowley, Oxford.

Minister postpones action on councils

By Michael Cresswell

THE GOVERNMENT has been forced to shelve controversial proposals to enforce competitive tendering on local councils and to ban the spending of ratepayers' money on political propaganda.

Mr Nicholas Ridley, Environment Secretary, told the House of Commons yesterday that the plans, together with measures to prevent councils from inserting political conditions in contracts, were being postponed and would be enacted at the first opportunity - "whether before, or after, the general election."

His announcement led to immediate Labour taunts that the Government was abandoning a key element of its legislative programme, in the face of mounting opposition from Conservative-controlled councils, in order to clear the decks for an early election. The decision was greeted with clear disappointment by Tory MPs.

Only two weeks ago, Mr Christopher Chope, the junior Environment Minister, said proposals for implementing compulsory competitive tendering on six local authority services would be in the new Local Government Bill.

But Mr Ridley said work on the bill was running very late because of the time taken in drafting the Local Government Finance Bill, introduced in December when ministers discovered that the procedures for fixing rate support grant was legally flawed.

He told MPs that the bill in its complete form could not have been introduced for at least another month, making Royal Assent in the current session of parliament - due to end in July - almost impossible.

Dr John Cunningham, Labour's environment spokesman said the real reason for the postponement was that the Government was "running scared" of the electoral consequences of plans which would undermine thousands of local government jobs.

The shelved proposal to enforce councils to put some services out to tender has provoked considerable opposition among some Tory authorities, which have cast doubt on the extent of likely savings and on the compulsory aspect of the legislation.

The shortened Local Government Bill will, nevertheless, enshrine in legislation the ban, announced by the Government last summer, on the use by councils of deferred purchase schemes - the so-called "creative accounting" strategy designed to circumvent restrictions on annual budgets.

It will also speed the sale of redundant land held on local authority land registers and impose new financial restrictions on councils co-operating with the private sector in housing construction programmes.

Half-year £88m loss on cars

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

ROVER GROUP'S cars business, ARG (Holdings) in which Austin Rover is by far the major part, suffered a net loss of £88m in the first half of 1986, according to documents submitted to the House of Commons Trade and Industry Select Committee yesterday.

Mr Andy Barr, Austin Rover's managing director, operations, said there was no reason to suppose the performance in second half-year would show any improvement.

ARG, which also takes in the retail computer services company and SU Industries, a components business, was set up in 1983, and since then its net losses have risen from £10m to £88.5m in 1986.

Rover gave only a distorted indication of its performance in its half-year statement which showed that

ARG had an operating loss of £90.9m.

Austin Rover was the only one of the "big three" car makers in Britain not to forecast major production increases when giving evidence to the committee.

While both Ford and General Motors, the Vauxhall group, predicted output rises of up to 30 per cent by the early 1990s, Mr Barr said Austin Rover "must learn to survive on what we have now."

He suggested that his company this year would do well to stop the fall in its car output which had dogged it for some years. Then perhaps we can start growing again.

Mr Barr revealed, however, that Austin Rover expected to boost productivity substantially in 1987. Measured by the number of cars per

employee produced in a year, productivity doubled between 1979 and 1983 to 12.1 vehicles, he said.

The fall in Austin Rover's production last year, from 465,000 to 404,500 vehicles, reduced the output per employee to 11.5 vehicles. This year the figure would rise to 14.

Mr Barr said that was an impressive way of measuring productivity, and in real terms the improvement would be even greater because next month Austin Rover would begin labour-intensive production of a Honda-designed gearbox which so far has been imported built-up from Japan.

He insisted that Austin Rover wanted to remain a volume car business and that that would not be possible if the company stopped building small cars such as the Metro.

N-plant cancer links 'not established'

By David Fleishock, Science Editor

NO DIRECT LINK has been established between cancer clusters and British nuclear factories and power stations, according to the latest and largest national survey, involving more than 12m cancer cases registered in England and Wales over more than 20 years.

The survey, by medical scientists using the data of the Office of Population Censuses and Surveys, examines the localities close to all nuclear factories and power reactors in England and Wales including the Sellafield, Cumbria, factory of British Nuclear Fuels and the Atomic Weapons Research Establishment, Aldermaston, Berkshire.

It found no indication of an abnormal pattern of leukaemia in the locations where power station nuclear installations were in operation.

The Government has released the report as rough proofs, after charges from nuclear project opponents that it was suppressing publication of a potentially embarrassing report.

Administrators move in at Vosper Shiprepair

BY KEVIN BROWN, TRANSPORT CORRESPONDENT

VOSPER SHIPREPAIR, the Southampton company taken over by its management from British Shipbuilders two years ago, yesterday announced the appointment of administrators from Price Waterhouse, the accountancy firm, to administer the company.

This is a new procedure under the 1986 Insolvency Act intended to increase the opportunities for maintaining financially troubled companies as going concerns.

Mr Mark Homan, director of insolvency services for Price Water-

house, said there was little chance of keeping the company in business, however.

The company is understood to have work in hand for only a few weeks and no further orders. Creditors are understood to be claiming £4.5m.

Mr Homan said it was unlikely that the business could be restructured and returned to profit. The administrators' strategy would be to cut the workforce of 200 to the minimum needed to keep the yard open.

St. Pierre Park Hotel, the 'break', on Guernsey.

When the stress becomes too much of a strain.

Peaceful parkland setting, golf, tennis, swimming - and a comprehensive health suite - all without leaving the hotel.

Call us FREE on 0800 - 373 - 321. St. Peter Port, Guernsey, Channel Islands.

The St. Pierre Park HOTEL A & R

BEAR STEARNS

This announcement appears as a matter of record only.

\$81,000,000



Weintraub Entertainment Group, Inc.

Subordinated Debentures due 1999
with
Warrants to Purchase Class A Common Stock

We acted as financial advisor in the structuring of the Company's initial capitalization and as agent in the private placement of these securities.

Bear, Stearns & Co. Inc.

New York/Atlanta/Boston/Chicago/Dallas/Los Angeles/San Francisco
Amsterdam/Geneva/Hong Kong/London/Paris

February 1987

Here's why today's storage heaters have such wide appeal.

We'd like to demonstrate to the business community just how different the modern electric storage heater is from the big old brutes of the past.

So take this page, fold it so only this ad is showing, and hold it at right angles to the wall.

That's how deep a modern storage heater can be.

THE INSIDE STORY

This remarkable achievement is thanks to new cores made of a high-density iron oxide material that has 68 per cent more heat storage capacity than earlier materials, plus Microtherm insulation three times as effective as mineral wool.

NOW YOU'RE IN CONTROL

New control systems make even more efficient use of the energy used. Taking advantage of low-cost, night-rate electricity, weather sensors can determine the amount of heat to be stored for use next day.

Damper controls hold back some heat to be ready when it's needed.

Storage fan heaters and Electricaire warm-air systems are even more controllable with their warm air output regulated by thermostatic switching.

SMALLER HEATERS. SMALLER BILLS.

Modern electric storage heating has never been more energy efficient. Add to that the remarkably low equipment and installation costs compared to most other fuel systems, and you'll see another reason why the modern electric storage heater has so much appeal today.

If you'd like to find out how slimline electric storage heaters can slim down heating bills, phone Freecall BuildElectric or cut out the coupon.

Please send me more information on energy efficient electric heating. Post to: Electricity Publications, PO Box 2, Feltham, Middlesex TW14 0TG.

Name

Position

Company/Address

Post Code

Tel

SC Dimplex
Globe
UNIDARE

HEATELECTRIC

Energy for life

The Electric Council, England and Wales

UK NEWS

Unilever cuts 500 jobs in edible fats business

BY LISA WOOD

UNILEVER, the Anglo-Dutch food and consumer products group, is to shed up to 500 jobs and invest £18m in its UK margarine and edible fats business as part of a rationalisation to fend off growing imports in an increasingly competitive market.

The re-organisation at its Van den Berghs yellow fats factories at Bromborough, Merseyside, in north-west England, and at Purfleet, on the Thames estuary, are part of a four to five-year strategic plan for the division.

Van den Berghs, with an estimated 50 per cent share of the total UK yellow fats market with brands including Flora and Krupa margarine, said: "We have not been losing market share. This is a forward plan so that we keep what we have."

At present the Purfleet and Merseyside factories, which together employ 1,800, both make margarines and low fat spreads for the retail and catering trades. Over the next four to five years the retail products - which include brands such as Flora and Stork - will be concentrated

at Purfleet, and catering products production will be focused on Bromborough.

The job losses will be mainly at Bromborough, and consultations with employees have begun. Van den Berghs said: "We would foresee little impact on jobs at Purfleet because of the re-organisation as we will be able to deliver extra tonnage at the factory."

The UK market for margarines and low fat spreads has grown in the last five years from around 348,000 tonnes to 370,000 tonnes with forecasts of fairly limited growth in the immediate future. The product make-up of the sector has, however, changed dramatically with a host of new products such as low-fat spreads.

In addition, a growing percentage of the market has been owned by products sold in supermarkets which have mainly come from overseas suppliers.

While maintaining that it has not lost share in the overall market, Unilever is worried by growing imports, and the new investment is de-

signed to make it the low-cost producer in the UK.

Costs taken out of production would be available for increased marketing effort, said Mr David Lang of Henderson Crosthwaite, the stockbroker. He said Unilever had been late into the low-fat dairy spreads sector of the market. The market leader is St Ivel's Gold, with Unilever's Delight being a later entrant on the supermarket shelves.

New competition is also intensifying the competition. Acasos & Hutcheson, a major yellow fats producer which took over the ailing Merseyside Foods Products in 1985, is about to open a new factory on the Isle of Dogs, in London's docklands, which will be capable of producing more than 45,000 tonnes of margarine and low-fat spreads a year.

Mr Lang contended that Unilever had, according to his numbers, lost up to 13 per cent of volume share of the overall margarine market in the last five years. Unilever was cutting its production costs so that it would be difficult for imports and own-label products to undercut its brands significantly.

Coal chief calls for 10% a year output rise

By Charles Leadbeater

THE ANNUAL growth in miners' productivity will have to be 10 times the level recorded in the decade before the 1984-85 miners' strike if British Coal is to maintain competitive costs, Sir Robert Haslam, its chairman, has said.

Productivity will have to grow at about 10 per cent a year over the next few years, compared with a growth rate of about 1 per cent in the 1970s, Sir Robert told delegates to the annual conference of the Nottinghamshire area of the Union of Democratic Mineworkers (UDM), which was formed from a breakaway body of miners during the year-long strike.

However, union leaders gave a warning to Sir Robert that British Coal could no longer rely on the union's close co-operation.

Sir Robert said it would be difficult to justify major investments unless miners agreed to wide-ranging changes in working practices, including allowing collieries to produce coal for six days a week. He said more intensive work patterns would be essential to ensure capital equipment was fully utilised.

Negotiations on the introduction of six-day working at the Magram development mine in South Wales began last week, but Sir Robert's remarks make it clear that British Coal wants these changes to be introduced more generally.

Sir Robert said the moderation and "good sense" of the UDM would be the most persuasive argument in favour of the Central Electricity Generating Board (CEGB) building a new coal-fired power station in the Midlands. The CEGB may build another station at Fawley, Hampshire, which could be supplied with Nottinghamshire coal shipped via Immingham, he said.

Mr Neil Greston, the UDM area president, said the union's honeymoon with British Coal was over. "We have few friends on that side of the fence," he said.

He accused colliery managers of using the rivalry between the UDM and the National Union of Mineworkers to force Nottinghamshire miners to accept revolutionary changes in working practices.

Market 'should judge broadcasting'

BY RAYMOND SNODDY

MR DAVID MELLOR, the Home Office Minister responsible for broadcasting, said yesterday that it was right for broadcasting to be exposed to the judgment of the marketplace.

Mr Mellor told the Financial Times Cable and Satellite Conference in London that this was why the Government was so attracted to the proposal of the Peacock Committee on the future of broadcasting that the BBC should be funded by subscription.

The Government, he said, "cannot and would not" underestimate the difficulties.

"But it is clear that subscription is likely to play an increasing part in the financing of broadcasting, at least some channels."

Cable television had already pioneered the way and at least one Direct Broadcasting Satellite (DBS) channel would be financed by subscription.

Mr Mellor said it was important that there was early agreement on a Council of Europe convention on trans-frontier broadcasting. This would facilitate the development of the genuinely European broadcasting industry and ensure that British broadcasters and programme makers had a wider market for their products.

The trend to independent production, which the Government was encouraging, was healthy for the industry "and will be particularly valuable as competition in the international broadcasting market intensifies."

Earlier, Lord Thomson, chairman of the IBA, said he welcomed the new opportunities provided by cable and satellite to widen choice, but the question was to what extent the new services would genuinely enhance and embellish the existing terrestrial services.

But the former Labour minister admitted it was the achievement of successive governments to find a formula that combined public service broadcasting quality with vigorous private enterprise. Other West-

ern European countries were 30 years behind Britain in finding out how to do this.

Mr Michael Checkland, deputy director-general of the BBC and a candidate for the vacant director-general's chair, said the British broadcasting industry was one of the success stories of this century although one had to go abroad to hear much about that. It was a genuine national asset.

He warned, however, that deliberate and sustained attacks day by day would ultimately weaken the BBC and - if weakened - innovation, experimentation, risk-taking and investigative journalism would diminish and the democratic process would be the poorer.

Mr Checkland said the BBC intended to be part of the new opportunities opened up by cable and satellite services.

"We will open our libraries. We will release our programmes. We will share our golden treasury. But we must be allowed to choose our partners," Mr Checkland said. The aim was to double the turnover of BBC Enterprises, the commercial arm of the BBC, to £200m.

Despite the squeeze imposed by the decision to link the licence fee to the Retail Price Index, the BBC was not in a financial crisis. With an income of £1bn there was plenty of room to move resources and make savings. But if the choice had to be made between quantity and quality, the BBC would choose quality, he said.

Mr David Shaw, general secretary of the Independent Television Companies Association, warned that the existing television service should not be put at risk before the up and coming generation of satellite broadcasters had demonstrated the range and quality of their products.

If there was too rapid a pursuit of the "free market holy grail", this Government and its supporters would undermine or even destroy the established benchmarks.

Mr Shaw said that, if indepen-

FT

Cable and Satellite Conference

dent producers were introduced to the broadcasting system in an orderly fashion, the system would be strengthened. If the Government tried to impose a 25 per cent quota for independence, it would be "nothing less than a deliberate act of sabotage."

For ITV such a quota would require the transfer of over 2,000 hours of programming to the independents at a value in 1985 of £170m.

Mr Charles Wigoder, head of corporate finance at Carlton Communications, one of the unsuccessful applicants for the DBS franchise, said he still believed that DBS with attractive programming and cohesive marketing represented "unbelievable value" as a broadcasting opportunity, notwithstanding the likely early losses.

The investment cost might be large, but it was only equivalent to roughly half the current market value of the ITV network and about a quarter of what the figure would be if American valuations of television stations were used.

He warned that during the latter years of the 15-year DBS franchise, when British Satellite Broadcasting (the franchise winner) was generating hundreds of millions of pounds in advertising revenue, that the IBA would have great difficulty in arbitrating between the interests of DBS and the terrestrial ITV companies.

Mr Jon Davey, director-general of the Cable Authority, said that cable had firmly established itself on the agenda. Despite the problems, none

of the new cable television operators had gone bankrupt, the quality of programme had been strengthened and, more important, the first interactive (two-way) services had arrived. The cable industry was also on the brink of significant developments in the telecommunications uses of cable.

New sophisticated cable was being installed at the rate of 15,000 homes passed every month.

Mr Ian Ellison, a director of Robert Fleming, the merchant bank, said the basic formula for raising finance for cable was simple. You had to convince enough investors that they would secure a return in net present value terms of around 30 per cent.

You also needed a fully worked-out set of proposals and a management team who understood what they were doing.

Mr Ian Clark, chief executive of Clyde Cable Vision, the cable franchise in Glasgow, said that the advent of satellite television was not a danger to the cable industry but was something that should be welcomed.

Clyde planned to start interactive services such as home shopping and banking later this year. He believed that a critical mass had now been reached for the cable industry and that more people were becoming aware of the services it had to offer.

Mr Andrew Quinn, managing director of Granada Television and co-ordinator of British Satellite Broadcasting, winners of the DBS franchise, emphasised the importance of mainstream programmes to create a mainstream audience.

He said one of the big advantages of DBS was the ability to have a national marketing strategy and budget to encourage the sale or rental of reception equipment through "free" advertising supported programmes.

This in turn would create a new universe of people prepared to pay for subscription services such as a film channel.

Report advocates improved job prospects for racial minorities

BY CHARLES LEADBEATER, LABOUR STAFF

THE LEVEL of racial discrimination in employment is so substantial that further action needs to be taken to improve the position of ethnic minorities in the labour market, the House of Commons Select Committee on Employment said.

In a report on the racial discrimination in the labour market the committee recommended that local authorities and the Civil Service should examine setting up special training schemes for workers from Asian or Afro-Caribbean backgrounds to raise their chances of employment or promotion.

The report said public authorities must set a much stronger example as employers.

However, the committee did not make any recommendations on action private employers could take to combat racial discrimination. Nor did it recommend that local authorities and central government should

adopt contract compliance strategies, which would mean that companies bidding for contracts would have to set clear targets for combating racial discrimination.

The committee recommended that local authorities should adopt targets which, over time, would create a workforce that mirrored the ethnic composition of the populations they served. Many local authorities did not employ an adequate proportion of ethnic minority workers, the report said.

The Civil Service should systematically collect and publish information about how successful its equal opportunities programme has been, the report said. The committee said the Civil Service's progress in promoting equal employment opportunities had been far too slow.

The Civil Service should also run Youth Training Scheme courses, as the YTS is an important route into

employment for young ethnic minority workers.

The committee welcomed plans to increase the number of ethnic minority employed on inner city regeneration schemes, make it easier for ethnic minority small businessmen to raise capital, and introduce ethnic monitoring into the armed services.

Unemployed people from the ethnic minorities used job centres and contact job centre staff more frequently than other unemployed people, a study by the Manpower Services Commission shows.

However, the survey found that while white people found jobs after 13 interviews on average, the ratio for Afro-Caribbeans was 16:1, and for Asians 21:1.

Discrimination in Employment: First report of the House of Commons Employment Committee, Session 1986-87; HMSO, £3.10.

Ministers split over BBC subscription call

FINANCIAL TIMES REPORTER

THE BRITISH Government is deeply divided over whether BBC programmes should be made available on voluntary subscription, which would ultimately replace the present licence fee system.

The development was one of the key recommendations of the Peacock Report into the future of British broadcasting. Peacock envisaged in the medium to long term that first individual channels should be put onto subscription and then a pay-per-view system (paying for individual programmes) be encouraged to create true consumer choice in broadcasting.

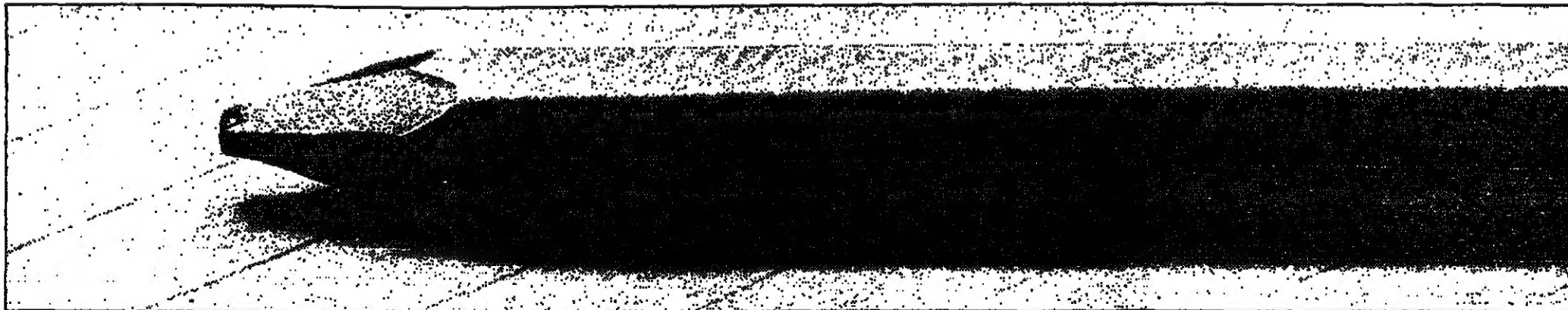
But opinions are divided both between individual government departments, like the Home Office and the Department of Trade and Industry, and also within departments.

Mr Douglas Hurd, the Home Secretary, has indicated he is sympathetic to the idea of subscription. But other ministers openly question

both its feasibility and desirability. "How can you ask the poorest who make most use of television to pay more?" one minister asked.

The Home Office has commissioned CIP International communications consultants to carry out a study of the feasibility of subscription by April.

Some companies would
sell you a new pencil.
We'd sell you
a pencil sharpener.



You could call it the "NCR approach"

It's based on a simple principle. One that applies as much to computers as it does to pencils.

Before we offer any solution, or sell any system, or develop any new product, first we make an objective assessment of precisely what our customers want.

Obvious, isn't it?

So why then do so many computer manufacturers insist on selling computers

the job you want them to do.

Complete systems that will one day have to be scrapped because they're not flexible enough to grow as your business grows.

It could be because they're out of touch with the demands of today's computer industry.

Your demands. Not theirs.

At NCR, we make sure we have a full understanding of what you demand from a computer system.

That means we have to understand how your business works and how it will grow. And how computers can help.

That's the NCR approach.

If you'd like to know more about it, why not get in touch on London (01) 724 4050.

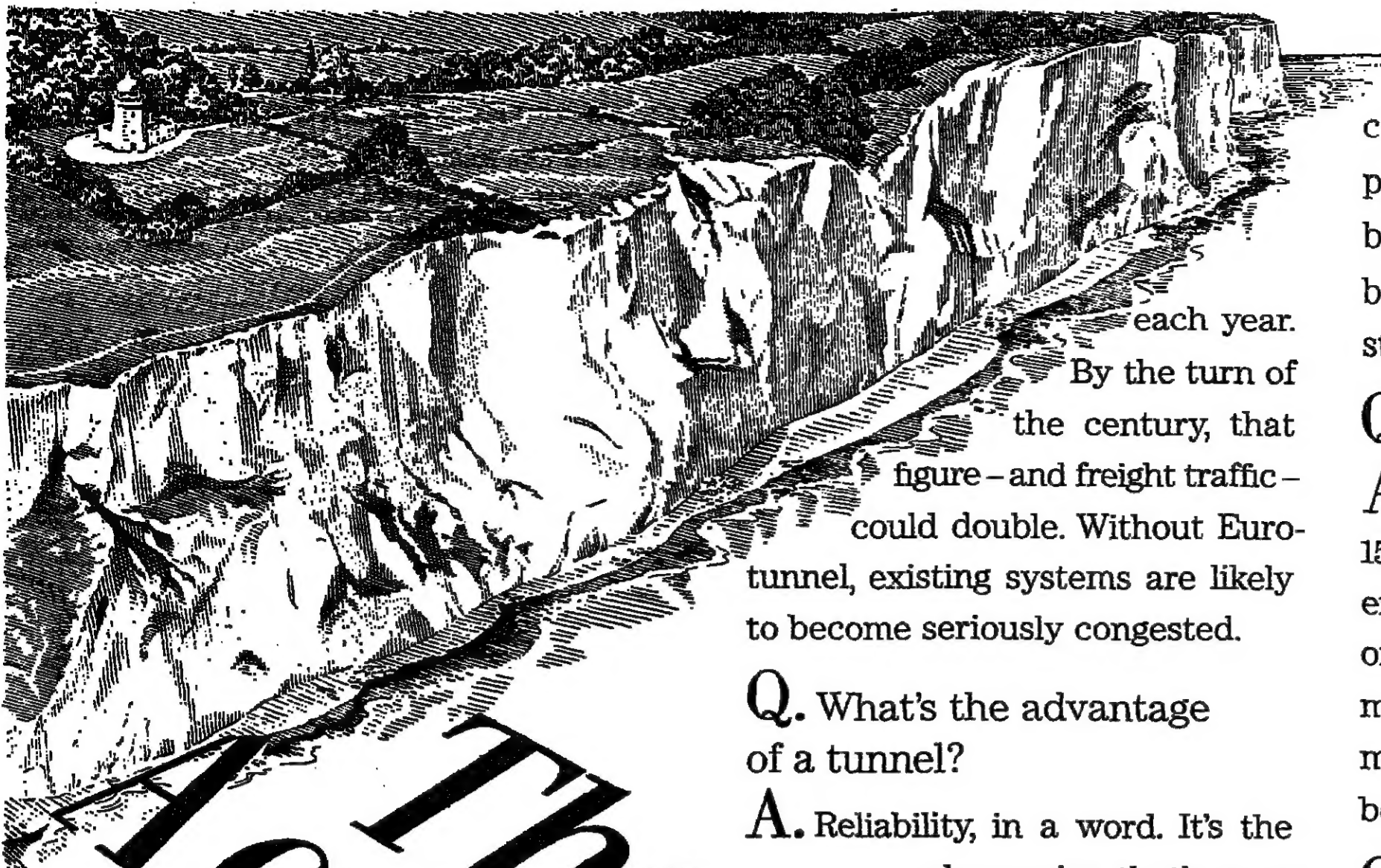
that their customers don't want?

Computers that don't talk to other computers.

Computers that aren't designed to do

NCR

Get in touch.



And of course, rail is generally considered the safest form of transport. There'll be an independent body of experts to ensure we're building and operating the safest stretch of railway anywhere.

Q. How many jobs will it create?

A. When it's all systems go, over 15,000 people in Britain alone will be employed either building the tunnel or supplying materials and equipment. Hopefully there'll be many more when the Eurotunnel starts boosting trade and tourism.

Q. Who pays for it?

A. Private investors only. It won't cost the taxpayer a penny.

Q. When will it open?

A. Our tunnel sees the light of day in 1993. Having read this far, we hope you agree the sooner the better.

Q. What sort of tunnel is it?

A. It's a twin-rail tunnel. Effectively, a 31-mile rolling road beneath the Channel chalk-bed.

Q. How will I use it?

A. There are two services. A coast-to-coast shuttle for the motorist, running every 15 minutes at peak times. And direct rail services from London and other city centres to the Continent.

Q. How long will the journey take?

A. The Folkestone-Calais shuttle, just 35 minutes. No need to book.

Just roll up and drive on. London to Paris, 3¼ hours; London to Brussels 2¾ hours and so on.

Q. What's wrong with the services we've got?

A. The airlines, ferries and hovercraft already have to get 24 million passengers back and forth across the world's busiest stretch of water

each year.

By the turn of the century, that figure—and freight traffic—could double. Without Euro-tunnel, existing systems are likely to become seriously congested.

Q. What's the advantage of a tunnel?

A. Reliability, in a word. It's the only service that's guaranteed weatherproof. It means a smooth, fast crossing

any time of day or night, 365 days a year.

Q. Who's building it?

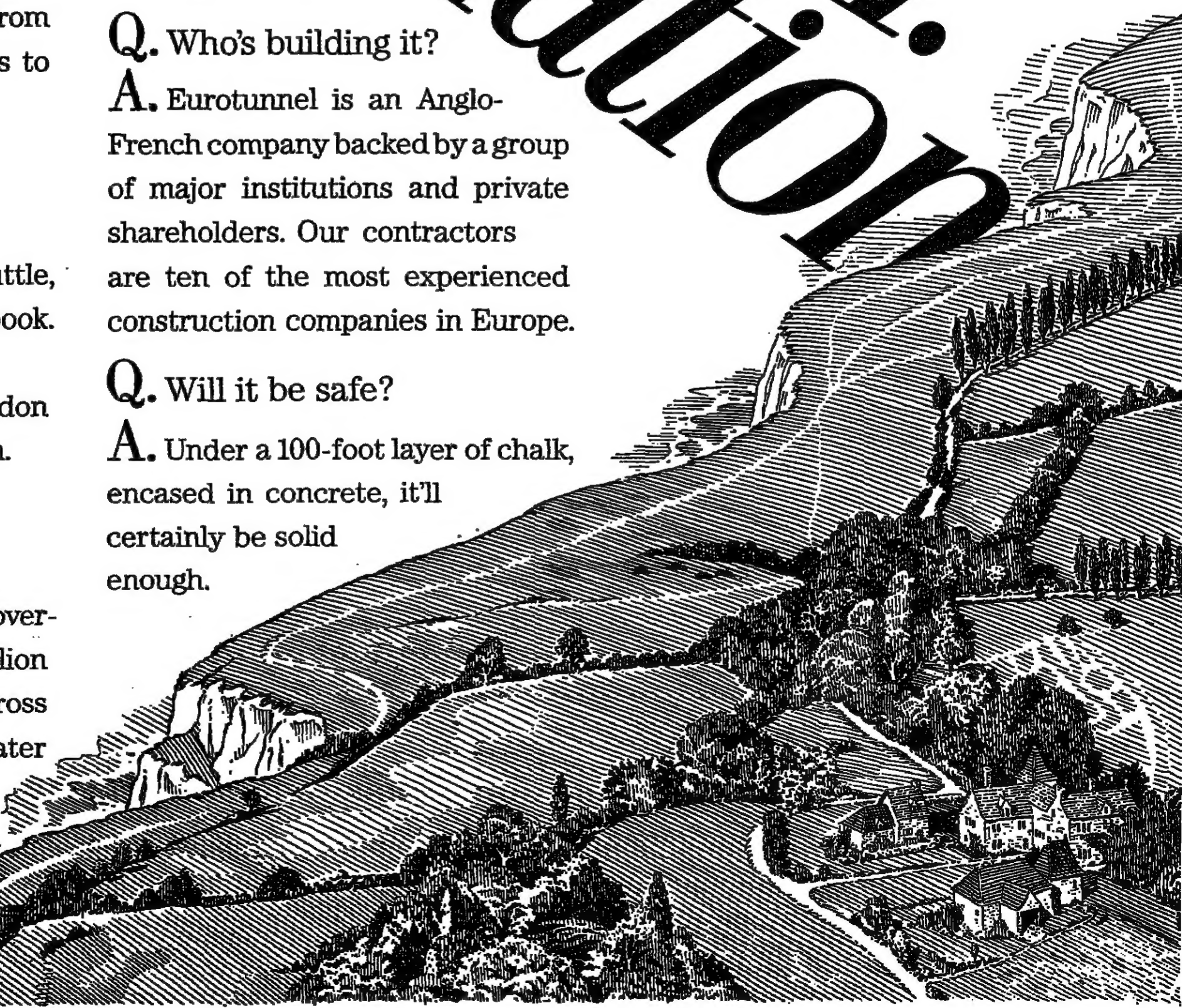
A. Eurotunnel is an Anglo-French company backed by a group of major institutions and private shareholders. Our contractors are ten of the most experienced construction companies in Europe.

Q. Will it be safe?

A. Under a 100-foot layer of chalk, encased in concrete, it'll certainly be solid enough.



The fast lane to Europe.



Accountancy Appointments

Manufacturing Industry
ACCOUNTANT

East Midlands

c.£20,000 plus car

Our client is an internationally renowned supplier of advanced process plant and services with an outstanding history of sustained business growth based on its ability to meet customer needs.

Expansion and diversification into turnkey projects has created an exciting opportunity for an experienced ACMA to lead a team providing control information for both manufacturing and contract management. Among the immediate key tasks will be the further development of computerised systems for both manufacturing and contract costing.

Reporting to the Financial Director, the position carries an attractive benefits package and there are good career development prospects within the parent group.

Please write in the first instance with a full cv to Brian Page, Director, Personnel Advertising Limited, 30 Farringdon Street, London EC4A 4EA. All replies will be passed to our client unless we are advised of companies to whom you do not wish your cv to be given. Please quote ref. GRS 785.

**PERSONNEL
ADVERTISING
LIMITED**

International Appointments

**MANAGEMENT
CONSULTANCY**

RARE OPPORTUNITY IN THE MIDDLE EAST

A consulting career with Ernst & Whinney in the Middle East offers unequalled opportunities to gain experience on demanding and interesting assignments and to accept wide responsibilities with high financial rewards.

We are the major international accountancy firm in the Middle East, with a consultancy reputation to match and wish to strengthen our team of consultants in the major commercial centres. Our clients cover the complete spectrum of industry and commerce, from government bodies to multinationals, to local family businesses and we provide a full range of consulting advice to assist them to run their businesses more efficiently and profitably.

We would like to meet ambitious consultants, preferably qualified accountants, with at least three years' consultancy experience, a demonstrable ability to solve problems and experience of managing consulting assignments in a major professional firm. Experience of working on financial systems or management/organisation reviews in the banking or general trading sectors, and of working abroad is an advantage but is not essential.

In return we will offer the opportunity to gain experience rapidly. You will also enjoy a good standard of living and the opportunity for substantial savings. So if you enjoy a challenge, have initiative and can handle responsibility, send a full CV to either Paul Wagstaff, Ernst & Whinney, P.O. Box 9267, Dubai, United Arab Emirates, or Kathy Wesley, Ernst & Whinney, Becker House, 1 Lambeth Palace Road, London SE1 7EU.

Ernst & Whinney
Accountants, Advisers, Consultants

**ABU DHABI
NATIONAL OIL
COMPANY**

ADNOC is one of the major oil companies in the Middle East controlling the Exploration, Production and Processing of Oil, Gas and Associated Products in Abu Dhabi and the Marketing of ADNOC's hydrocarbon products.

ADNOC is strengthening and enlarging its Internal Audit function and requires qualified and experienced staff for the following new positions:

HEAD, OPERATIONAL AUDIT:

An individual experienced in developing and managing comprehensive programmes of Management and Operational Systems Audits preferably in an integrated oil company. The primary objectives of the job holder will be to evaluate the efficiency and effectiveness of resource utilisation in the Company and to identify profit improvement opportunities.

Candidates must have an appropriate professional qualification i.e. ACA, ACCA or CPA or equivalent (e.g. Chartered Engineer) with a minimum of 10 years experience preferably in the oil or related industries.

SENIOR INTERNAL AUDITOR (OPERATIONAL):

An individual experienced in conducting Operational Audits, who is also capable of supporting and assisting the Head, Operational Audit in fulfilling his duties and responsibilities.

Candidates should have a professional accounting qualification i.e. ACA, ACCA or CPA with a minimum of 7 years relevant experience preferably in the oil or related industries.

INTERNAL AUDITORS (FINANCIAL):

Individuals experienced in conducting audit reviews of financial and accounting systems and procedures.

Candidates must have a professional accounting qualification i.e. ACA, ACCA or CPA with a minimum of 4 years experience preferably in the oil or related industries.

ADNOC's attractive benefits include a competitive tax-free remuneration, good career prospects, medical care, family accommodation, furniture allowance, paid home leave for the family and educational assistance for eligible children. The above positions require very good knowledge of English. Knowledge of Arabic will be an advantage.

Interested candidates are invited to forward their detailed applications together with photocopies of their education and experience certificates, within three weeks from the date hereof, to:

**THE HUMAN RESOURCES DIVISION MANAGER
PERSONNEL DIRECTORATE
ABU DHABI NATIONAL OIL COMPANY (ADNOC)
P.O. BOX 898 - ABU DHABI - U.A.E.**

BUSINESS LAW

Airlines' outdated liability limit

By Peter Martin and John Balfour

IT SAYS something about the state of the law governing compensation for injury and death in aircraft accidents that the taking out of a personal accident policy may be the only way in which a passenger can ensure adequate and timely protection for himself or his family against the risk.

Reports of recent cases demonstrate that years can, and do, go by before disputes between airlines and manufacturers over responsibility are cleared up, frequently leaving the victims uncompensated during that period. That this may be due, too, to the exaggerated demands of some of these victims is not given much publicity.

Every traveller on international airlines can read, but seldom gives much thought to, the following "notice" on his ticket:

"If the passenger's journey involves an ultimate destination or stop in a country other than the country of departure the Warsaw Convention may be applicable and the Convention governs and in most cases limits the liability of carriers for death or personal injury and in respect of loss or damage."

Even an experienced air transport lawyer cannot always be sure what this limitation of air carriers' liability means.

It dates back to 1929, when civil aviation was in its infancy and needed protection from the financial effects of a catastrophic disaster, uninsurable in those days. The 1929 Warsaw Convention limited damages for personal injury or death to the sum, in today's money, of \$10,000 (about \$6,000).

The figure was doubled in 1955 by the Hague Protocol amending the Warsaw Convention. Most countries agreed to this increased limit but a few, notably the US, are party to the unamended Convention only. A few others, for example, Thailand, are not party to it at all.

In some cases, these low liability limits have been increased. A number of airlines have, by "special contracts," voluntarily adopted higher limits, varying between \$50,000 and \$125,000. In addition, since 1966 the US has required all airlines serving a point in the US to adopt a liability limit of \$75,000 and, since 1975, the UK

has required all UK airlines to adopt a limit of about \$35,000.

Although attempts were made in Guatemala in 1971 and Montreal in 1975 to increase the \$20,000 Hague limit to a more substantial figure, it remains the norm with limits still something of a rarity for journeys not touching the US.

Establishment of the actual amount of the liability limit in a national currency is further blurred by the Warsaw Convention and the limits in the Poincaré franc, a gold-based currency used in France between 1928 and 1937. This used to provide generally uniform amounts when converted into national currencies but, since 1978, this has no longer been the case. As a result, different methods of conversion are used in different countries, with potentially divergent effects.

How then, with such relatively small sums on offer from airlines, are victims and their families to be fully compensated? There are four principal ways in which the Convention limits can be improved or avoided.

First, it is sometimes possible to exploit the fact that some countries convert the Convention's "gold francs" in a more generous way, for example, by reference to the market price of gold as contrasted with the old "official" price. This can mean that a claimant may receive much higher compensation by bringing his claim in one country rather than another. However, this has become a less significant way of improving the Convention's limits since the US Supreme Court upholding the more conservative method of conversion by reference to the old \$42 per fine ounce declaration to the International Monetary Fund by the US.

Second, the Convention provides that its limits do not apply in the case of intentional or reckless misconduct on the part of the airline or its employees. However, this is difficult to prove since intentionally caused accidents are almost unheard of and the test of recklessness is generally accepted to be subjective and, therefore, difficult to establish against an airline or its crew.

A third possibility, in some countries, is to attack the Convention's limits as being unconstitutional by denying basic human rights, in that they prevent proper compensation. This approach worked recently in Italy, although the Italian Government is understood to be proposing a law to confirm limited liability, but at a higher level.

But the Convention's limits are perhaps most frequently avoided today by the existence of a third party against whom a claim can also be made on the basis of negligence. This will normally be an aircraft or engine manufacturer, but could, for example, be an air traffic control authority. The Convention's limits only operate for the benefit of the airline, so that if any other parties have a share in the responsibility for an accident they will be liable without limit. Because accidents frequently happen not only from operational error but for more than one reason, this way of breaking through the Convention's limits is often a real possibility.

The increasing expense and time occupied by litigation, particularly in the US, adds to the increased readiness today of airlines and manufacturers, and more particularly their insurers, to see accident victims properly compensated.

Inevitably, however, some victims fail to benefit from the more generous settlement arrangements—which may arise from the fortuitous involvement of a manufacturer—and some may receive no compensation. For example, hijackings are not always the fault of an airline or a manufacturer and governments are obviously unwilling to admit the faults of their security services in any public way.

Terrorist attacks at airports kill and injure men and women not necessarily protected by contracts of carriage. Some airlines have no special contract. Some manufacturers are under-insured or not insured at all. The range of anomalies is as wide as could be. What is to be done?

Present proposals for improvement are many and piecemeal and none offers an ideal solution. Much better would be to amend the Convention so as to remove the limits altogether while retaining its many other advantages, or at any rate in-

crease the limits to a more realistic level and express them in a more easily convertible currency unit, such as the Special Drawing Rights.

In 1975, in Montreal, a protocol to the Warsaw Convention was signed (known as Montreal Protocol 8) which has the effect of increasing the Convention's limit to the local currency equivalent of SDRs 100,000 (which is normally about \$35,000). It is not yet in force because it has not been ratified by a sufficient number of countries but there is increasing pressure, principally from the International Civil Aviation Organisation and the International Air Transport Association, for its universal ratification.

Another possibility is increase of the airlines' special contract liability limits. Yet another is a new international convention bringing together the responsibilities of airlines, manufacturers, air traffic control and other agencies, with a higher maximum figure than any previously canvassed. Will anything happen?

The main obstacle to reaching more generous arrangements seems to be the fear of the airlines of less developed states, which carry few Westerners, of widely increased liability insurance premiums, and their

resentment that they would be contributing to the payment of what they see as inflated damages expected in the West. Some, very responsible, airlines limit but are afraid to be the first to do so.

There is no great political pressure for the improved terms as the number of passengers killed in accidents to aircraft engaged in scheduled international carriage is relatively small—only about 1,900 on yearly average worldwide, compared with the 10,000 or so people killed each year on the roads in the UK alone. For this practical reason the political will to effect changes in compensation is limited.

However, it is no consolation to their families that the victims belong to a statistically small group. Something ought to be done both in their interest and in the interest of air transport. While this may not have been possible in 1929, the relatively small number of fatalities ought now to enable all airlines to take out insurance cover adequate to cover substantially increased liability compensation. If they could make a workable deal with the manufacturers, so much the better. The authors are partners in *Frans Chalmers, solicitors*.

**A FINANCIAL TIMES SURVEY
CONSTRUCTION AND TUNNELLING
EQUIPMENT**

The Financial Times proposes to publish the above survey on
MONDAY MARCH 23, 1987

For further details, please contact:
Penny Scott

Bracken House, 10 Cannon Street,
London EC4P 4BY
01-248 8000 extension 3389

Schlumberger

**SCHLUMBERGER 1986
FINANCIAL RESULTS**

New York, New York, February 12—Schlumberger Limited reported a 1986 net loss of \$2.02 billion compared to the \$351 million earned a year ago. Net loss per share was \$7.02 compared to earnings per share of \$1.17 in the previous year. Fairchild Semiconductor has been accounted for as a discontinued operation as a result of its pending sale to Fujitsu Limited, excluding this discontinued operation in both years, revenue was \$4.94 billion compared to \$8.02 billion.

The net loss in 1986 comprised the following previously announced unusual items:

- Non-recurring charges of approximately \$1.74 billion or \$6.05 per share. These charges included \$1.46 billion relating to the Oilfield Services segment of business, \$130 million relating to the Measurement, Control & Components segment and \$150 million representing potential interest related to the Company's pending litigation with the U.S. Internal Revenue Service.

- A loss of \$383 million related to Fairchild Semiconductor: \$146 million loss during the year partially offset by a \$53 million gain on a settlement with Data General, \$200 million loss on the transaction with Fujitsu Limited and \$70 million provided for the estimated loss from January 1, 1987 to the projected closing date.

Excluding Fairchild Semiconductor in both years, the loss from continuing operations in 1986 was \$1.65 billion, a \$5.76 loss per share compared to the 1985 net loss of \$1.27 per share earned in 1985. This loss includes the \$1.74 billion \$6.05 per share) non-recurring charge.

In the fourth quarter, Schlumberger lost \$2.18 billion or \$7.71 per share, compared to a loss of \$373 million or \$1.25 per share for the same period last year. Excluding Fairchild Semiconductor in both years, the fourth quarter loss would have been \$1.87 billion or \$6.56 per share which includes the \$1.74 billion non-recurring charge, compared to income of \$170 million, or \$0.57 per share, for the same period last year. Revenue from continuing operations was \$1.09 billion, compared to \$1.55 billion.

Enan Baird, Chairman, indicated that 1986 results were strongly impacted by the collapse of oilfield activity worldwide. The steep decline in the number of drilling rigs, the disappearance of most oilfield exploration—a primary market for Schlumberger—and the sharp drop of oilfield services prices due to the excess capacity prevailing in this market, took their toll.

Baird added that actions were taken during the year to scale down the oilfield organisation in terms of people, equipment, engineering and manufacturing expenses to a level commensurate with today's activity. He said: "These actions will help achieve our primary objective which is to return to profitability in 1987 and prepare Schlumberger for the next oilfield cycle."

Baird also noted that Measurement & Control continued to be strong and he pointed out that at Computer Aided Systems, the results were good in Europe and Asia but weakened in North America.

**A FINANCIAL TIMES SURVEY
THE TREATY OF ROME**

The Financial Times proposes to publish a survey on the above on
WEDNESDAY MARCH 25 1987
For further details, please contact:
RUTH PINCOCK
on London 01-248 8000 ext 2428

The content, size and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

**Electricity Supply Commission
(South Africa)**

94% Guaranteed Shading Fund Debentures Due 1989

NOTICE IS HEREBY GIVEN, pursuant to the Fiscal Agency Agreement dated as of March 1, 1974 under which the above described Bonds were issued, that Citibank, N.A., as Fiscal Agent, has selected for redemption on March 1, 1987 \$1,030,000 principal amount of said Bonds at the redemption price of 100% of the principal amount thereof, together with accrued interest to March 1, 1987. The serial numbers of the Bonds selected for redemption are as follows:

BOND NUMBERS

12	284	1182	1895	3253	4235	5418	5830	7048	7838	8961	12570	13774	14480	15767	16428
27	350	1181	3321	3471	4235	5414	5832	7049	7843	8966	12577	13780	14484	15778	16434
34	375	1182	3322	3472	4236	5415	5833	7050	7844	8969	12580	13783	14485	15779	16435
35	387	1183	3323	3473	4237	5416	5834	7051	7845	8968	12579	13782	14486	15780	16436
36	399	1184	3324	3474	4238	5417	5835	7052	7846	8967	12578	13781	14487	15781	16437
37	411	1185	3325	3475	4239	5418	5836	7053	7847	8970	12581	13784	14488	15782	16438
38	423	1186	3326	3476	4240	5419	5837	7054	7848	8971	12582	13785	14489	15783	16439
39	435	1187	3327	3477	4241	5420	5838	7055	7849	8972	12583	13786	14490	15784	16440
40	447	1188	3328	3478	4242	5421	5839	7056	7850	8973	12584	13787	14491	15785	16441
41	459	1189	3329	3479	4243	5422	5840	7057	7851	8974	12585	13788	14492	15786	16442
42	471	1190	3330	3480	4244	5423	5841	7058	7852	8975	12586	13789	14493	15787	16443
43	483	1191	3331	3481	4245	5424	5842	7059	7853	8976	12587	13790	14494	15788	16444
44	495	1192	3332	3482	4246	5425	5843	7060	7854	8977	12588	13791	14495	15789	16445
45	507	1193	3333	3483	4247	5426	5844	7061	7855	8978	12589	13792	14496	15790	16446
46	519	1194	3334	3484	4248	5427	5845	7062	7856	8979	12590	13793	14497	15791	16447
47	531	1195	3335	3485	4249	5428	5846	7063	7857	8980	12591	13794	14498	15792	16448
48	543	1196	3336	3486	4250	5429	5847	7064	7858	8981	12592	13795	14499	15793	16449
49	555	1197	3337	3487	4251	5430	5848	7065	7859	8982	12593	13796	14500	15794	16450
50	567	1198	3338	3488	4252	5431	5849	7066	7860	8983	12594	13797	14501	15795	16451
51	579	1199	3339	3489	4253	5432	5850	7067	7861	8984	12595	13798	14502	15796	16452
52	591	1200	3340	3490	4254	5433	5851	7068	7862	8985	12596	13799	14503	15797	16453
53	603	1201	3341	3491	4255	5434	5852	7069	7863	8986	12597	13800	14504	15798	16454
54	615	1202	3342	3492	4256	5435	5853	7070	7864	8987	12598	13801	14505	15799	16455
55	627	1203	3343	3493	4257	5436	5854	7071	7865	8988	12599	13802	14506	15800	16456
56	639	1204	3344	3494	4258	5437	5855	7072	7866	8989	12600	13803	14507	15801	16457
57	651	1205	3345	3495	4259	5438	5856	7073	7867	8990	12601	13804	14508	15802	16458
58	663	1206	3346	3496	4260	5439	5857	7074	7868	8991	12602	13805	14509	15803	16459
59	675	1207	3347	3497	4261	5440	5858	7075	7869	8992	12603	13806	14510	15804	16460
60	687	1208	3348	3498	4262	5441	5859	7076	7870	8993	12604	13807	14511	15805	16461
61	699	1209	3349	3499	4263	5442	5860	7077	7871	8994	12605	13808	14512	15806	16462
62	711	1210	3350	3500	4264	5443	5861	7078	7872	8995	12606	13809	14513	15807	16463
63	723	1211	3351	3501	4265	5444	5862	7079	7873	8996	12607	13810	14514	15808	16464
64	735	1212	3352	3502	4266	5445	5863	7080	7874	8997	12608	13811	14515	15809	16465
65	747	1213	3353	3503	4267	5446	5864	7081	7875	8998	12609	13812	14516	15810	16466
66	759	1214	3354	3504	4268	5447	5865	7082	7876	8999	12610	13813	14517	15811	16467
67	771	1215	3355	3505	4269	5448	5866	7083	7877	9000	12611	13814	14518	15812	16468
68	783	1216	3356	3506	4270	5449	5867	7084	7878						
69	795	1217	3357	3507	4271	5450	5868	7085	7879						
70	807	1218	3358	3508	4272	5451	5869	7086	7880						
71	819	1219	3359	3509	4273	5452	5870	7087	7881						
72	831	1220	3360	3510	4274	5453	5871	7088	7882						
73	843	1221	3361	3511	4275	5454	5872	7089	7883						
74	855	1222	3362	3512	4276	5455	5873	7090	7884						
75	867	1223	3363	3513	4277	5456	5874	7091	7885						
76	879	1224	3364	3514	4278	5457	5875	7092	7886						
77	891	1225	3365	3515	4279	5458	5876	7093	7887						
78	903	1226	3366	3516	4280	5459	5877	7094	7888						
79	915	1227	3367	3517	4281	5460	5878	7095	7889						
80	927	1228	3368	3518	4282	5461	5879	7096	7890						
81	939	1229	3369	3519	4283	5462	5880	7097	7891						
82	951	1230	3370	3520	4284	5463	5881	7098	7892						
83	963	1231	3371	3521	4285	5464	5882	7099	7893						
84	975	1232	3372	3522	4286	5465	5883	7100	7894						
85	987	1233	3373	3523	4287	5466	5884	7101	7895						
86	999	1234	3374	3524	4288	5467	5885	7102	7896						
87	1011	1235	3375	3525	4289	5468	5886	7103	7897						
88	1023	1236	3376	3526	4290	5469	5887	7104	7898						
89	1035	1237	3377	3527	4291	5470	5888	7105	7899						
90	1047	1238	3378	3528	4292	5471	5889	7106	7900						
91	1059	1239	3379	3529	4293	5472	5890	7107	7901						
92	1071	1240	3380	3530	4294	5473	5891	7108	7902						
93	1083	1241	3381	3531	4295	5474	5892	7109	7903						
94	1095	1242	3382	3532	4296	5475	5893	7110	7904						
95	1107	1243	3383	3533	4297	5476	5894	7111	7905						
96	1119	1244	3384	3534	4298	5477	5895	7112	7906						
97	1131	1245	3385	3535	4299	5478	5896	7113	7907						
98	1143	1246	3386	3536	4300	5479	5897	7114	7908						
99	1155	1247	3387	3537	4301	5480	5898	7115	7909						
100	1167	1248	3388	3538	4302	5481	5899	7116	7910						
101	1179	1249	3389	3539	4303	5482	5900	7117	7911						
102	1191	1250	3390	3540	4304	5483	5901	7118	7912						
103	1203	1251	3391	3541	4305	5484	5902	7119	7913						
104	1215	1252	3392	3542	4306	5485	5903	7120	7914						
105	1227	1253	3393	3543	4307	5486	5904	7121	7915						
106	1239	1254	3394	3544	4308	5487	5905	7122	7916						
107	1251	1255	3395	3545	4309	5488	5906	7123	7917						
108	1263	1256	3396	3546	4310	5489	5907	7124	7918						
109	1275	1257	3397	3547	4311	5490	5908	7125	7919						
110	1287	1258	3398	3548	4312	5491	5909	7126	7920						
111	1299	1259	3399	3549	4313	5492	5910	7127	7921						
112	1311	1260	3400	3550	4314	5493	5911	7128	7922						
113	1323	1261	3401	3551	4315	5494	5912	7129	7923						
114	1335	1262	3402	3552	4316	5495	5913	7130	7924						
115	1347	1263	3403	3553	4317	5496	5914	7131	7925						
116	1359	1264	3404	3554	4318	5497	5915	7132	7926						
117	1371	1265	3405	3555	4319	5498	5916	7133	7927						
118	1383	1266	3406	3556	4320	5499	5917	7134	7928						
119	1395	1267	3407	3557	4321	5500	5918	7135	7929						
120	1407	1268	3408	3558	4322	5501	5919	7136	7930						
121	1419	1269	3409	3559	4323	5502	5920	7137	7931						
122	1431	1270	3410	3560	4324	5503	5921	7138	7932						
123	1443	1271	3411	3561	4325	5504	5922	7139	7933						
124	1455	1272	3412	3562	4326	5505	5923	7140	7934						
125	1467	1273	3413	3563	4327	5506	5924	7141	7935						
126	1479	1274	3414	3564	4328	5507	5925	7142	7936						
127	1491	1275	3415	3565	4329	5508	5926	7143	7937						
128	1														

MANAGEMENT: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Super Channel

A test for the global concept

Feona McEwan on the advertising challenge facing Europe's latest satellite TV venture

SATELLITES are hot topics these days. In the UK two in particular have been making the news. Ironically, though, while the top-secret Zircon spy satellite has been bathed in the hard glare of publicity, the just-launched pan-European service, Super Channel — a very public affair — slipped into operation this month relatively unnoticed.

The Prime Minister noticed, of course, and attended the launch of the UK-based commercial station. But among the advertising fraternity, on whom the channel depends for funding, there appears to be less than enthusiasm for this new long-range weapon in the marketing armoury.

On the face of it Super Channel presents a seductive opportunity: now preexisting advertisers with a new vehicle to spread their messages into 14 European countries simultaneously. The station — which is owned by the Virgin Group and the UK independent television contractors — offers an all-embracing 24-hour diet of entertainment, sport, music, drama and documentary sourced from the BBC and from ITV. So far, 6.7m homes in Western Europe, from Finland to Italy, can receive the channel. And the cost of airtime compared with that in the UK is comparatively low.

Against this, there are various hurdles to consider. The station is English-speaking only, which for much of Europe makes it a second language station. More than ever, it will test the concept of pan-European advertising practice. How feasible is it to speak with one voice to many different markets is an issue that has been hotly debated in recent years. Until the arrival of satellite television with a sizeable audience — more, it is said, than Rupert Murdoch's five-year-old Sky channel — the issue has remained largely theory. Now with a healthy rival on the scene, the test can really begin.

There are problems, too, for multinational advertisers which operate on a decentralised basis, with products having different names or packaging in different countries. A lever product, for instance, is known variously as Jif, Viss, Clif, and Vif. The Birds Eye Wall's character on its fish fingers is

Broadly similar programming

It's not as if the issues of pan-European television were so very new. Sky channel, for instance, has been around since 1982. To an advertiser the two are remarkably alike, both English-speaking and UK-based, with broadly similar penetration and programming (though Super Channel has set out to differentiate itself with mainly British programmes compared with Sky's largely American diet).

Together there are 19 satellite television stations raining down on varying fractions of Europe. Not all take advertising, only nine speak English, and most of these reach a very restricted slice of Europe beyond their home base.

At the moment Super Channel has additional headaches in the form of the Equity dispute in the UK over contract agreements with actors in programmes (not ads). But at the root of advertisers' unresponsive behaviour, is the fact that the medium of pan-European satellite television is in its infancy still and as such presents them with the unknown. There is a relatively thin knowledge of the medium. Traditionally, the advertising fraternity, for all its talk, is conservative and prefers to wait and see when novelty beckons.

As with any new medium, there is a steep learning curve and the "vanguard" advertisers believe that the sooner they understand it, the better they'll understand it. By the time satellite television is commonplace, which will probably happen once direct broadcast by satellite takes off, they will, they argue, have a head start.

Pan-European advertising demands a wholly different approach from the business of spreading advertising messages on the small screen. To begin with the measure is different. The old rule of cost per thousand — the basis of buying airtime — which means the cost of reaching one thousand of an advertiser's target audience, is less valid at the moment.

The reason is that audience research is scanty. Apart from two in-depth surveys last year, into who viewed and when, from Sky and the old Music Box (now part of Super Channel) there are no reassuring ratings (the percentage of households that watch a given programme) to assuage the nervous advertiser. There are plans, however, from next month, to establish a regular joint industry audience survey (to be known as Pan European Television Audience Research, PETAR) which aims to offer firmer evidence of viewership, though it is unlikely they could ever match the minute-by-minute audience measurement available in the UK.

The low rates of airtime on Super Channel reflect this. Consequently, "advertisers are doing it a lot on belief," says believer Nick Farley, director of DFS Dorland, the agency which has Austin Rover, the first advertiser on Super Channel, as a client. "You start from the premise that television is a pretty powerful medium and it works. Here is the potential for reaching 20m people. But there's an awful lot of people without the courage to do that."

"Satellite demands a more general approach, a bit like readership of press or radio research, where you know on average how many people read or listen to a given publication or station, at what time, and on which day. You have to concentrate on effectiveness (increasing sales/awareness of products or companies); not what it costs.

"With pan-European TV you'll never ever have an audience measurement system enabling you to calculate cost per thousand so people had better forget that. If the only justification for doing it is cost per thousand or they got it cheaper, they should stay out of the game."

David Wood, director of new media at Ogilvy & Mather, takes a different line. "Because it's so hard to calculate audiences I'm even harder on deals," he says. "Price is as important as it has ever been. I look for prices that are at least 25 per cent lower than the equivalent on terrestrial channels."

Super Channel's ratecard is regarded by industry watchers as well constructed, at cost efficient prices that account for its patchy audience and its users' patchy distribution. Cost of a 30-second spot ranges from £1,200 to £1,800.

But for all their tardiness, few advertisers doubt that satellite TV as a medium is here to stay. Ultimately, for those with the vision and patience to learn its ways, there is the tantalising prospect of access to some 18m homes by 1990, if estimates by agency Ogilvy & Mather are right. That represents 17 per cent of European households.

For advertisers it is clear that pan-European television has serious implications for their marketing strategies. It remains to be seen whether products sold in the same tone of voice and images will sell as well to the Danes. There is a worry too that ads, in order to appeal to the lowest common denominator, will sink to an all-time low in blandness and risk diluting the impact of the message in the process. The jury is still out.

For many companies keen to use the new medium there are major logistical problems. Like who foots the bill. For a multinational like Unilever, does the Dutch division square the debt or the Swiss division, or if all chip in, then in what proportion. Since each country is pursuing its cable programme at a different pace, divisions in countries which are less cabled may be unhappy about supporting a campaign they do not benefit from. To add to the



confusion, many companies have rival agencies handling their business in different companies.

The point is that most multinational companies are decentralised in Western Europe and until recently media packages have worked along national lines also. The only exceptions were the few up-market publications like Time, Newsweek, International Herald Tribune, FT, and airline magazines which gave advertisers the chance to cross international boundaries.

Restricted airtime

Such are the short-term tribulations of advertising on satellite television around Europe. Longer term, it offers new opportunities to advertisers eager to reach Continental Europe, which until now have been hampered by restricted airtime, and the rule that spots must be booked up to 16 months in advance. Even then, an advertiser cannot be sure of his position.

One advertiser currently using satellite TV (out of the Netherlands) is Polaroid. Its

sunglasses are on Super Channel in a bid to reach young people — the domestic land-based TV in the Netherlands, by comparison, has an older audience, which is less appropriate.

By contrast, Nissan, the car manufacturer, is using Super Channel not for sales impetus, but to promote its corporate image. "Nissan thinks that an English-speaking channel will get a good result in its attempts at unification," says Mitsuko Matsutani in Tokyo, who also welcomes the short lease times. There will be knock-on effects of all this on land-based channels, which will be forced to become more competitive, say the experts.

At the moment, pan-European television is very much a buyers' market in Wood's view. "There is more available advertising minutes than takers, unlike the situation with terrestrial European stations which tend to be sellers' markets." Both Sky and Super Channel deliver 30 advertising minutes a day. Across Western Europe the average in any country is 60 minutes advertising a day. "This means," says Wood with a gleam, "you can negotiate some very competitive terms."

TV commercials

Getting to grips with production costs

Feona McEwan on a proposed code of practice

A CODE of practice aimed at bringing order to television commercial production costs has been agreed for the first time by the constituent parts of the UK television advertising industry.

The issue has been a running sore in the advertising industry for a number of years as production costs have spiralled at around 18 per cent a year, though this is said to have levelled off recently, in all, the total spent on production is under £200m a year in the UK, a fraction of the sum spent on buying airtime.

Up to now, the methods of negotiating costs have been largely a matter of custom and practice, with conflicting vested interests, causing frustration and inviting unruly practices.

Sir Leo Piatzky, who headed the joint industry committee which has drawn up the report, published today, commented this week: "There are two remarkable things about this document. The first is it ever got started, and the second is it ever got finished."

The agreement is between the makers of TV commercials as represented by the Institute of Practitioners in Advertising, the Advertising Film and Videotape Producers Association and the Incorporated Society of British Advertisers.

"We believe we've worked out a framework for good business practice," says Sir Leo, of the code which all three parties have agreed on. The procedures clearly spell out such things as "guidelines for planning and budgeting in the client company," "budgeting and briefing in the agency," "contracts and payments" between agencies and production companies and advertisers and agencies, and pre- and post-production.

Piatzky underlines too the importance of planning in helping to control costs. He says that time and again in the working party's discussions "the importance of planning and of having a properly thought-out timetable for the production of a commercial, allowing a reasonable period of time for each stage in the process from the

client company onwards" was a prominent theme.

Good preparation and proper scheduling is vital. "You pay for haste," he says. The working party believes that the advice it puts forward on planning and timetables could, if put into practice, "make a noticeable difference to controlling costs..."

Piatzky also stressed the need for allocation of responsibility for decision making in an organisation and always to seal agreements in writing.

Another crucial area the code defines concerns payments. During the working party's investigations it emerged that slack payments for the making of commercials were a major trouble spot. So in an effort to tighten up transactions, it advocates that the existing payment upfront of 50 per cent should remain.

But instead of the current seven-day rule for completion of payment, which is frequently abused, it is now advocated that full settlement should be not later than the end of the month in which an invoice is received (provided it is received by the 15th of the month).

If the invoice is received after the 15th, it must be settled by the 15th of the following month. In the event of a query, it is suggested that 10 per cent be withheld while it is sorted out.

There is also a production briefing document, similar to that in the US, and detailed documentation on how to prepare production estimates, including for the first time video and animation production.

The important thing now, says the chairman, "is putting the report into practice." It will demand greater discipline from client and agency, he warns. For the moment, the Working Party will act as watchdog to monitor implementation of the code and set up a complaints panel, if necessary.

"Procedures for the Production of TV Commercials" 25 from the IPA at 44 Belgrave Square London SW1, the APVPA 26 Noel St, London W1 and the IBA, 44 Hertford St, London W1.

Who else wants to ring up more sales?

This new booklet from British Telecom Telephone Marketing Services shows how you, too, can quickly put the telephone to work — with measurable results.

Our success stories come from every area of business. ITT...BP...Control Data...Rediffusion...The A.A...Budget Rent-a-Car...IBM...UDT...Calor...are just some of the names you'll recognise. But no matter what business you're in, telephone's cost-effectiveness can really pay off for you.

"Over £13,000 generated from an initial investment of just over £5,000."

"Cost per reply a fraction of that in the national press and trade journals."

"...immediacy with such an extraordinary number of telephone calls — over 5,500 at the last count!"

"A 400% increase. The real benefit was the information too calls generated."

"Very satisfactory profiling yet again...successful beyond our original expectations, not only in terms of the appointments made but also in actual orders!"

"Exceeded all expectations both in size of response and in quality of appointment made."

"Your speed of action... applauded from this end and has enabled us to reach some 250 inquiries."

"Personal involvement, sheer hard work, professionalism and cool-headedness during our many panics have smoothed the way for the successes."

The comments on the left come verbatim from letters we've received by clients. If you'd like to get results like that, why not talk to us? We are widely recognised as leaders in the field of telephone marketing.

"At the forefront are British Telecom's inbound telemarketing service 'Direct Dial' and its outbound service 'Telemarketing', said the Financial Times in April 1986.

And here are more comments on our service. An automobile organisation wrote: "How nice it was to have the professionalism of a large company, without losing that vital personal touch and attention to detail." A company selling business forms observed that the telephone enabled them to make much better use of their salesmen's time. And they thought their salesmen's morale was boosted.

A car rental company recorded that "a new office opening exceeded all expectations in size of response and quality of appointments made."

One client, a senior executive with a famous finance company, confessed that he often tests us to make sure things are running smoothly: "The calls are answered quickly, efficiently and courteously."

If you're impressed by these reports, see how the telephone could build business for you. Get our new booklet: "The role of the telephone in your marketing plans". It tells you precisely why the telephone works so well — where you can apply it in your business.

Here are 5 reasons why it is such a powerful weapon.

1 Because you reach people directly — only direct mail and personal selling can achieve this. Yet one is not so personal; the other is far more expensive.

2 Because it's interactive — customers tell you what they think. So you learn quickly and can adapt your message accordingly.

3 It's easy and instant. People prefer to use the telephone when replying. Usually it's cheaper than sending a letter as well as being quicker.

4 It gets attention. People might ignore your ad, commercial or mail shot. But for the telephone they drop everything.

5 It's measurable. You can quickly work out how many calls are turning into sales.

Small wonder the telephone is the world's fastest growing marketing medium. In the UK, telephone marketing capacity doubled over a recent 12-month period. In the US, telephone is now the largest single direct response medium, with an expenditure now estimated at \$37.5 billion. Why ahead of TV, the press, or mail.

The telephone gets results you can measure. And proof of this is that our repeat business rate is 75% and our very first client is still with us. Moreover, the telephone doesn't need massive investment in production, design, artwork, photography, printing.

Once you know your objective, you can put it to work in weeks, even days — months. And after the first couple of hundred calls, you know how well it's working for you. You can adapt your techniques, improve them... get better results. There can be few marketing investments so easy to mount, so quick to pay off. So why not ring us for free, immediately, on 0800 400 400 and ask for a copy of our booklet? Or fill in the coupon. Then, if you like what you read, let's arrange a presentation for you. There'll be no obligation — but the opportunity is enormous.

Call us free to find out more on 0800 400 400

British Telecom Telephone Marketing Services, 95 Ebury Bridge Road, London SW1W 9RL.

Please send me my free copy of "The role of the telephone in your marketing plans".

Name _____
Job title _____
Company name _____
Address _____
Postcode _____

Tel. no _____
Type of business _____

Put in an envelope and post to: British Telecom Telephone Marketing Services, Ebury Bridge Road, London SW1W 9RL. No stamp needed. FT/2

British TELECOM

YOUR IMPRESSION OF THE AVERAGE ANGLIA VIEWER WILL CHANGE WHEN YOU'RE GIVEN THE FACTS.



8.3% of Britain's adults earning over £15,000 live in the Anglia region.



31 of the top 500 companies are based in the Anglia region.



Anglia accounts for 11.5% of all UK air travellers from the 4 London airports.



12.9% of workers in banking and finance in the City commute from Anglia.



12.2% of managerial workers in the City commute from Anglia.



Anglia accounts for 12.4% of British Businessmen.

Sources: DPCS, NRS, CAA, TGI, FES, Business Magazine.

The area served by Anglia Television is one of the wealthiest in the country. Average incomes are 7% higher than the rest of the UK and climbing faster too. The region also encompasses a lion's share of the country's expanding new towns and the



PART OF THE AFFLUENT SOUTH EAST.

population is growing faster than that of any other ITV region. In fact as a whole, the region is something of a businessman's dream. So if you're still under the impression that Anglia is full of country yokels, wake up.

BY ALAN CANE

TECHNOLOGY: Computing

A hands-on approach to its customers' problems is central to Norsk Data's drive for growth

How Norway's brightest star found its sparkle

FOREIGN ownership of voting shares in Norsk Data, the Norwegian-based computer manufacturer, last week crept dangerously close to the State-owned limit of 49 per cent, forcing the company to seek suspension of its stock on the Oslo bourse while it confirmed that it was still in Norwegian hands.

The drama caused a flurry of unexpected activity at Norsk Data's brightly coloured steel and glass headquarters just off Oslo's snow-bound Olaf Helseth Vei. But its senior managers were philosophical. Such diversions, they reasoned, were the price they must pay for piloting the shooting star of the Norwegian industrial firmament.

Other Norwegian industrial companies, Norsk Hydro for example, are bigger, but none can match Norsk Data's sustained growth in turnover and profits over the past 14 years.

Last month it announced preliminary figures for 1986, estimating turnover up 27 per cent at Nkr 2,580m (\$349m), and pre-tax profits up 29 per cent at Nkr 468m (\$67.5m).

But Norsk Data is more than just a parochial Scandinavian comet. Some 40 per cent of its sales come from abroad. It is forging a series of partnerships and alliances in other countries and it is seeing substantial growth when many of its major competitors' sales have been, at best, flat over the past two years.

Why should this be? Mr Rolf Skar, its president and chief executive officer, argues the present success of the company is based on three principal propositions.

● The company designs and builds state-of-the-art products which are at least as cost effective as any of its competitors.

● It has successfully made the conversion from computer manufacturing company to end-user organisation.

● It has focused on the integration of its equipment into its customers' businesses. "We help our customers to become more competitive by providing them with systems which mirror the way they carry on their business," he says.

The essence of Mr Skar's argument is that Norsk Data can solve its customers' computing problems at lower cost than

its competitors by working with the customer to develop the necessary computing software and systems rather than through cheaper hardware. It never the less claims its minicomputers have the edge in price-performance terms.

About 75 per cent of the resources the company puts into research and development are directed towards software and software development tools. Twice as many Norsk Data staff are involved with a customer after the sale of a machine than before, according to Mr Skar.

Significantly, the company achieved its first major sales coup—to CERN, the European nuclear research organisation—by being able to provide software of a kind the CERN executives had never seen before. It worked in real time and many users could use the system at the same time. It dramatically shortened the time the CERN scientists needed to develop control programs for their atom-smashing machinery.

Mr Skar reminisces: "That was in the early 1970s. We came in from the cold and dark to win the largest computer contract of its kind in Europe."

Norsk Data makes mini-computers, machines which through innovative design and advanced technology, provide a large proportion of the power of mainframe machines at a fraction of the cost. These days, it is a force in the world of superminicomputers, souped-up machines which are more powerful than the mainframes of only 10 years ago.

The most powerful machine in Norsk Data's new range, the 5000 series, can offer over 50m instructions per second in its four processor version.

Millions of instructions per second (mips) is a convenient if not always very reliable method of measuring computer power.

Only 20 years ago, computer power was measured in Atlases, equivalent to the power of a very large British computer of the time. One Atlas was roughly equivalent to one mips.

The largest machine in the Digital Equipment Corporation (DEC) range, the VAX 8800 can be clustered together in groups to give 100 mips or more.

Many companies these days see their computing needs in terms of a cluster of supermini computers, at the centre, as a cost effective and fault-tolerant replacement for the traditional mainframe, together with smaller, but compatible, computers at departmental level and personal computer workstations on the desks.

Among the major minicomputer vendors—Data General, Prime, Wang, Hewlett-Packard and so on—DEC and Norsk Data seem, on the basis of their growth figures, to have made the most of this change of fashion among their customers.

It would not be fair to draw the parallel too closely. DEC with world wide revenues in 1985-86 of \$7.6bn dwarfs the Norwegian company.

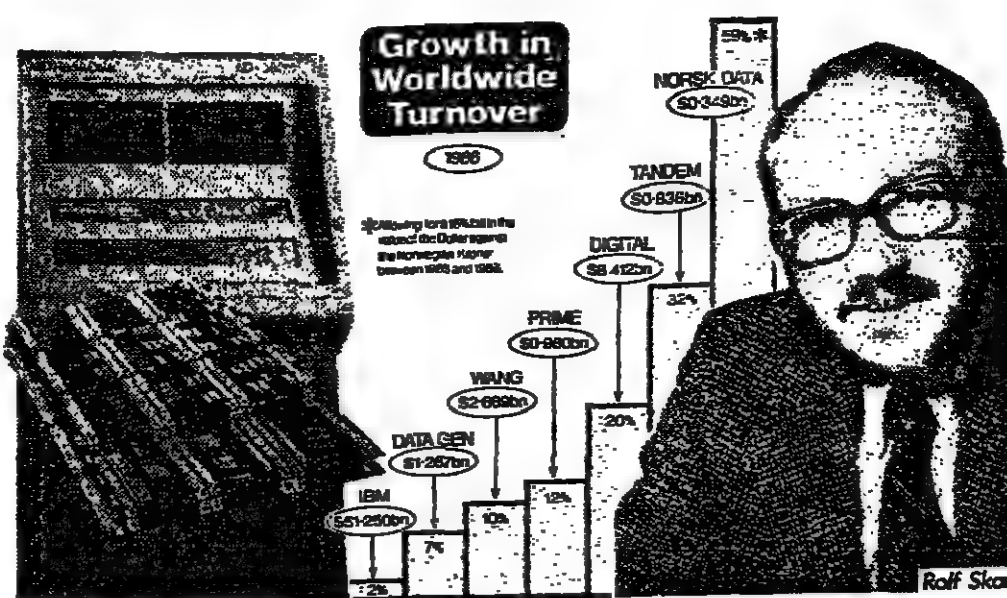
But Mr Skar is realistic about his company's opportunities for continued growth. The focus for the company will continue to be Europe and his ambition is to see Norsk Data grow to the size of DEC in this region.

With DEC's European revenues last year running at \$2.3bn, however, the Norwegians have some catching up to do.

And although Norsk Data's principal competitors are all US companies, it is planning a cautious approach in the US. Last year it signed a marketing agreement with a US company, Syntec-Bus, aimed at securing distribution for Norsk Data's newspaper industry computer systems in the US—the company already claims to be a European leader in the provision of computerised information systems to the graphics and newspaper industries.

Now it is actively looking for another US partner. The ideal company would have a sound distribution network, the ability to support, comprehensively, high systems and a lack of product which could be plugged by Norsk Data's hardware and software, Mr Skar says.

Simple, universal answers to the question of success in the minicomputer business are hard to find. The bright ring of confidence around Norsk Data suggests that in its belief in technical excellence and a close relationship with its customers, it is closer to the truth than many.



The Devil's Wall/Bloomsbury

Max Loppert

"Over to the Sea," oil 1974, by Nan Youngman

Smetana's last opera, *The Devil's Wall*, is this year's University College Opera choice. It has not been performed in Britain before now, and is rarely seen even in Czechoslovakia. The reasons are not hard to find: it is among the composer's last completed artistic statement before the final stages of syphilis set in; death was not far off. Its composition period had been long and difficult (the libretto was completed in 1874 of a pounding and intense hissing in the head, day and night); and there had been protracted—and never-resolved—disagreements with the librettist, Křáskaborn (author of *The Kiss* and *The Secret*), over the form and genre it should follow.

Nationalist comedy or romanticism? In the final layout of the libretto, which Smetana laid a heavy hand, genres are mixed with a vengeance. The plot, one of the completely original in Czech history, piles on anti-clerical satire (the way the Devil and the bishop Benes assume the same form early on would alone reveal the parody) and a spectacular scene-painting, historical detail, rustic comedy, and psychological mood-painting. Huge, sudden transitions in the score are to be expected in short space (in Act 3, for instance, the flooding of a monastery); the overall dramatic progression is both jerky and compelling, and the three acts tends to peter out.

The wonder in all this is that the opera should exert such a compelling attraction, and that its last scenes should have survived Tuesday's wretchedly misguided, crassly childish presentation. The score, unlike those of the previous Křáskaborn comedies, is a continuous fabric, in which songs and ensembles, most of them quite short, are woven. Simple

lyrical inspiration wells up out of the surrounding, more harmonically complex continuum. At its most telling, in the scenes for Count Vok (barytone), the principal character, the music combines heart-easing tenderness with a certain degree of dramatic bluntness that Smetana had never before achieved.

This is, all the same, a Problem Opera. Accepting as much and recognising that the UCO budget doesn't allow for sopranos, the UCO must still feel a powerful contempt for the "solution" that producer Christopher Newell and designer Mark Bills had devised. The UCO's symbolic solution determines the framework. The single set is an Edward Gorey-style lunatic asylum peopled by *Marat/Sade* inmates: madmen, hangers-on at the side, leaving it to take the part of Vok where required and semaphoring shakes and trembles where not; the principal characters are dressed as carnival freaks. The happy end is inverted.

Yes, yes, we all know that Life and Art are inextricable, but this is the silliest sort of Hollywood-biopic rationalisation. The UCO's wit and subtlety of the score are denied; the libretto seems far more foolish and impenetrable than it needs to. The student chorus, evidently finding the UCO's plot in a move and sing with welcome unconsciousness; the main roles, however, are sadly hamstrung. Only Carol South, a large, sinewy, powerful young lyric soprano, and Grenville Hargreaves as Vok-Smetana emerge with any sustained credit — most of the others arouse pity. Christopher Newell's, a somewhat spirited reading of the score, not always meshed to the needs of his singers.

Claire Armitstead

My first taste of the Asian Co-operative Theatre was in Farrukh Dhondy's *Vigilantes*, a controversial play about Asian vigilantes in London which did not make friends and influence people. This third project, written by H. O. Nazareth, and at the Young Vic Studio, is so eager to please that it is unlikely to upset anyone on the other hand it is unlikely to excite anyone either.

Nazareth has sympathies for all the right causes: the strength of women, the weakness of men, the danger of the "armchair socialist" and the need for a synthesis of East and West. The interesting and frustrating thing about *The Bhanga Dancer* is that it falls into precisely the same trap that it sets it male protagonist — that of rhetoric without action.

It opens promisingly enough with three masked figures entering the stage. One is a Eurasian, crassly coloured, semi-abstract cityscape on a tall screen. (designer Suresh Vedak). Off come the masks to reveal a domestic drama of Shiv, a bored law graduate whose dreams of setting up an Eastern restaurant have been shelved in favour of a weekly pay packet, and Tara, his student girlfriend who finds she is pregnant.

Shiv spends his days indulging his obsession with masks, and his nights working as a telephone operator — styling himself "Spiderman the Communicator" — to all his overseas counterparts, with whom he conducts elaborate conversations — slak, his boredom. All well and good until "Bombay" enters in the form of the Indian wife of an alcoholic, who is escaping her arranged marriage and looking for her true identity.

Shiv's dilemma opens on to the conflict of culture between Asians living in India and those who have adapted to England are potentially fruitful, if only they were allowed to impinge on the drama in any significant way. Instead, we are seduced by the story of love, infidelity and commitment — to which cultural issues are merely dressing.

Yet the three performers switch fluidly enough from stylised dance routines to naturalistic drama. Janet Steel and Shelley King have the weight of the argument behind them and both carry it ably. The marriage of Shiv and Tara, more problematic performance as the ineffectual Shiv; stoning in wild gesticulation for what he occasionally lacks in verbal fluency. Sue Pomeroy directs.

Dominic Gill

Those who fill the Wigmore Hall to be overlooking the other evening to hear the expatriate Soviet violinist Nelli Shkolnikova might have done better to have saved their enthusiasm for another day, and used it instead to swell the numbers of the (relatively) small crowd who came to hear Mr. Håkan Hasson play the Mozart sonata with a recital on Tuesday. For Mr. Hasson is a real violinist, who by now should need little introduction to London audiences (he is French by birth but has lived in London since 1973). The violin is in his hand, as well as his fingers; and he plays with a directness, a straightforward and stylish delight. The Mozart sonata with which he opened his programme was shaped with the greatest refinement and delicacy. Nothing precious: a faultless understanding of simple things, a refusal to inflate or overstate, a command of expressiveness without whimsy, impeccable intonation. In his account of Brahms's D minor sonata there was to be traced the same efficiency which French musicians occasionally demonstrate in the music of Brahms—the manner was strong and

sure, the texture beautifully detailed, the gesture wholly authentic. I loved the old-fashioned depth of colouration he gave to the G-string melody in the adagio: an exquisite palette of rich, dark shades; and his swing into the finale a splendid rhythmic buoyancy, with a considerable lyrical charm.

Hasson gave us the same soaring attack and richness of colour in the Franck sonata—the allegro second movement especially was a joyous contrast to the possibly luminous essay in high romanticism from which the sparks regularly flew. His timbre in the recitativo was of a depth and complexity rarely heard from young violinists of his generation: strong and close, intimate but not constricted, and with a marvellous *vox humana* plangency. I did not care overmuch for his accompanist Jean Louis Steuermann (an uneven, lumpy pianist who more often than not appeared to be listening to his fellow soloist rather than to his partner). The Franck, in particular, in notable contrast to Mr. Hasson's, was floppy, prosaic.

Sotheby's held a pretty routine sale of Old Master paintings yesterday but it went quite well, with a total of £849,750 and less than 10 per cent unsold. A private collector and a total of 100 bidders double the estimate, for a still life of oysters by Alexander Coosemans.

Another picture far exceeded its estimate was a portrait of a boy with a cockerel attributed to the circle of Michael Sweerts: it was bought by a Saudi Arabi for £704,000. The top price was £20,900. Flower paintings remain popular and by Daniel Seghers made £19,250. Another still life, this time of fruit with a lobster and by Joris van Son, fetched the same sum. Two capriccio views of Rome from the studio of Hendrik van Lint, once the property of the Earls of Buckingham, sold for £18,150.

One of the great bargains among antiques are British historical models. Gleanings yesterday sold the very fine collection of Thomas Stainton for £21,846, above estimate but with prices still very modest.

The top price was £704,000 for a portrait painted in 1882 by Sir Edward Poynter, known as "Una Caprese."

Antony Thornicroft

Antony Thornicroft

A black and white photograph showing a rustic wooden fence with a gate. The fence is made of vertical wooden posts and horizontal rails. The gate is slightly ajar. In the background, there is a calm body of water, possibly a lake or a wide river, and a distant, hazy shoreline. The sky is bright and appears overexposed. The overall scene is peaceful and rural.

Andrew Clements

Neither Lohr, Pesek nor Stanislaw Skrowaczewski is yet a Name, capable of selling out a London concert hall. Yet both offer sound, musicianly virtues, and their concerts this week provided a good deal more satisfaction than any of the instabilities of the last few years. That is, I've heard, with all their attendant crowds and indiscriminate clamour.

Pesek is shortly to take on what is, perhaps, the least enviable post in British musical life, as principal conductor of the Royal Liverpool Philharmonic, before appearing at the Halls of Tuesday as a guest of the Philharmonia. Dvorak's tone poem *The Golden Spinning Wheel* cannot have been at the forefront of the Philharmonia's current repertory, but it emerged crisp and energetic, packed with neat, lively detail. Pesek kept the work on course for three-quarters of its length, but even his careful pacing could not redeem its closing section, when the dramatic grip slackens and the invention becomes increasingly banal.

A similar spacious unfolding was also the prime characteristic of Pesek's account of Schubert's Ninth Symphony, perhaps short of unbridled energy for a finale as grand and heavy-footed as the *Andante*, but managed with serene composure and a marvellous sense of direction in the transitions, suggesting that Pesek needs to be heard very soon in Bruckner. The Philharmonia's invention in his laconic direction, with refined accuracy; they should place him on their regular list of great conductors.

Skrowaczewski had appeared at the Barbican on Monday with the Hallé Orchestra. Though he has yet to ingrain much allure in the orchestra's tonal blend, its current lean, sinewy sound matches his style rather well. It was refreshing to hear Chalkovsk's Fourth Symphony available in such a direct, unadorned way; Skrowaczewski's refusal to pander to any notional emotional excesses kept the performance to the point, and managed to make the final pages genuinely exciting in a way that other, more conscious attempts at emotional excitation fail to do. He had less success, however, in finding much purpose in Samuel Barber's *Madrigal Meditation and Dance of Vengeance*, though the performance had clearly been well prepared. The work represents a boiling down of the kind of music that has been so skillfully awkwardly proportioned and the gesture, *lyric* League abandon in the culminating dance is simply inadequate to the work's dramatic programme.

Both concerts offered piano concertos. With the Hallé Rudolf Buchbinder delivered a strangely schizoid account of Brahms's major concerto, self-sacrificing to the point of blandness much of the time yet totally contrasted views of the concerto had been unconvincingly welded together. Elegantly accompanied by Pesek and the Philharmonia, Emanuel Feuermann's scrumptiously painted version of Mozart's E-flat Concerto K.423, purveying an eloquent line in *mezzo voce* in the slow movement, yet holding the music at arm's length elsewhere.

Antony Thornicroft

Philip Davis, young actor who bears an uncanny resemblance to both Roger Daltrey of the Who and to Michael Crawford, is cornering the market in gambling musicals. Last year he was pushed around by Mel Smith in *The Gambler*, which sparkled briefly in the West End; now he takes the lead in *The Gift*, a new play. Anthony Warde, about music police player, is touring round the country, resting this week in Cambridge.

It is an ambitious play. There is a cast of 17, a five-act structure, a score of songs featuring prominently on both lists — an elaborate double set by Mark Thompson, and a direction from Michael Bogdanov. For a night of fancy there is a visit to Hollywood, a surprise, June Havoc, playing a minor role as a supernannated bar room queen living off her

memories. Anthony Milner is on hand to maintain discipline by both producing for the New Vic and appearing on stage.

With so much bustle there surely some reasonable play besides to get out, but much more is to be done. *The Gift* is ripe for serious exposure. For a start it is dreadfully over-egged, with the traditional, and, to some extent, anti-proof story of a young card shark who gambles away everything himself to remorseless ruin, being observed from above by a group of old time gamblers in some fanciful casino in the sky. It would not matter so much if they were not so good at it, if young man, they are burdened with ornate ethereal dialogue which crashes badly with the hard-nosed chat of contemporary Atlantic City.

It is a pity to see it purely at home with that. Few young American gamblers talk about

"warbrodes" and when the tough gangland pokers players of the opening scene ponderously dissect their hands to explain who had won (for the obvious crudition of an English audience would miss the workings of a marvellously cool evenness) also reduces most of the tension to discover that Charlie Molloy, the hero, gets his talent through the old Beano whizz of being able to "read" his opponents' cards.

Sadler's Wells spring programmes

The spring season at Sadler's Wells will open with the Kodo Drummers from Japan, performing from two weeks from March 18. They are followed by one of Israel's leading modern dance companies, Bat-sheva, who will present two programmes during its one-week visit.

The London Festival Ballet has its annual weekly visit from April 21-25 with two programmes: these will include the world premiere of Christopher Bruce's ballet based on the life of John Lennon, *The Dream Over* and the London premiere of Michael Clark's *Drop Yo Pearls and Hog It Girl*.

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Exhibitions

Tübingen. Kunsthalle. Philosophenweg 78: Toulouse-Lautrec. A retrospective of 130 paintings and picture studies by Henri de Toulouse-Lautrec (1864-1901). Ends March 15.

Hannover. Sprengel Museum Kunst-Sammlung. Postfach 10. Exhibition is the most complete display of Picasso's works seen in Germany, showing the 417 pieces donated in 1909 by the industrialist Baroness Bertha von Selenka, who died last year, was Germany's leading collector of Picasso's works. The exhibition, with 400 graphic art prints and 17 oil paintings covers the artist's work from 1901 to 1904 to 1968, spanning cubism, classicism and surrealism, as well as Picasso's most recent works. Ends Mar 15.

Munich. Lenbachhaus, Luisenstrasse 33. Franz von Lenbach (1839-1904). The painter had himself built a Palace in the Italian renaissance style, finished in 1891. His widow then sold it to Munich in 1925. To mark the centenary of his birth the Lenbach Villa was redecorated with the original furniture and paintings of the artist. The exhibition displays 180 pictures and paintings in several rooms. Lenbach, celebrated above all for his portraits, created the new academy for arts in Munich under Karl von Filly. Ends March 20.

various museums and churches in Rome (mainly from the Villa Borghese, which houses the largest number) with a handful of paintings of doubtful attribution. Ends Feb 28.

Venice: Palazzo Ducale: China In Venice: Chinese Civilisation from the Han Dynasty to the Marco Polo Voyages (1271-1295). 150 objects including silk, lacquer, jewellery, terracotta figures, glass and porcelain lent by the Peking Museum. Many result from recent excavation, and most have never been out of China. The exhibition covers the main period of Chinese art, and the objects are arranged in a way that is easier for his use in the hereafter, send a fascinating light on life in the period. Ends March 1987.

for Germany to become one of
founders of expressionism. Cen
Georges Pompidou, Closed T
Ends March 22 (43771233)

SPAIN
Barcelona, **Edvard Munch (1863-19)**
185 lithos, drawings and his initial
graphics of his large output p
od. Emphasis is his preoccupied
with themes of life and de
(friezes of life). Fundacion la Cai
Passeig San Joan 103. Ends Ma
22.

Madrid, Jasper Johns retrospective. Born in 1930, this North American artist, with Rauschenberg, was one of the originators of pop art influencing the course of art for many decades. 100 pieces: paintings, collages, assemblages of objects, plastic, metal and bronze can be seen. Centro de Arte Reina Sofia Santa Isabel. Ends April 5.

NEW YORK

Cooper-Hewitt Museum: The design of the Smithsonian housed Andrew Carnegie's Fifth Avenue mansion, features a special show of folding fans. Organized by text conservator, Lucy Commoner, fans reflected the fashions of times during their heyday from 17th to early 20th centuries, as demonstrated in the 60 pieces of various shapes and designs. Ends M 31, (91st & 5th Ave).

Metropolitan Museum: 90 paintings from the end of Van Gogh's life are the focus of this second of a two-part show of the prolific artist at Saint Remy and Auvers. The *Starry Night* and *Cypresses* come from this period working first in an asylum at Saint-Remy and then in Auvers where he committed suicide in July 1890. Ends March 22.

WASHINGTON

National Gallery (West Bldg): The Art of Sultan Suleyman the Magnificent explores the height of art and technical development during the Ottoman Empire in 210 16th century manuscripts, silver, gems, kaffe and ceramics. Ends May 17.

CHICAGO
Art Institute: A retrospective of more than 150 of John Singer Sargent's

paintings, watercolors and drawings provides the first major overview of the artist's work in 20 years.

Art Immediate: The art of Italian Renaissance armourers, with suits embellished with Greek and Roman deities and fantastic creatures of the artists' imagination, is on display in a special exhibit of French king Henry II's armour borrowed from the Tower of London, at the Japanese Warship Museum, 1-10-1, Kasuga, Yokohama. Ends Mar 1.

Edo Paintings and Noh Costumes: exquisite works in delightful sumi-e, part of Okura Hotel. Okura Shukokan Museum. Ends Feb 10. Closed Mondays.

The Mozart sonata with which he opened his programme was shaped with the greatest refinement and delicacy. Nothing preceding: a faultless understanding of simple Mozartian

line, a refusal to inflate
overstate, a command of e
pressiveness without whims
impeccable intonation. In h
account of Brahms's D min
sonata there was no trace o
the diffidence which Frenc
musicians occasionally dem
strate in the music of Brahms

Sal

Sotheby's held a pret

routine sale of Old Master's paintings yesterday but it went quite well, with a total of £849,770 and less than 10 per cent unsold. A private collector paid the top price of £39,600 for a painting which was expected to double the estimate, for a still life of fruit and oysters by Alexander Coosemans.

Another picture to far exceed its estimate was a portrait of a boy with a cockerel attributed to the circle of Michael

Sweets: it was bought by Harari and Johns, the London dealers, for £20,900. Flower paintings remain popular and one by Daniel Seghers made £19,250. Another still life, the

flagration: a positively luminous essay in high-romantic rhetoric from which the sparks regularly flew. His timbre in the recitative was of a depth and complexity rarely heard from young soloists of his generation: strong and close in tone but powerfully contained, with marvellous *vox humana* plangency. I did not care overmuch for his accompanist Jean Louis Steuerman: an uneven, lumpy pianist who more often seemed to appear to be listening to himself alone than to his partner. His *Francis*, in particular, in notable contrast to M. Hasson's, was floppy, prosaic.

time of fruit, with a lobster and by Joris van Son, fetched the same price. Two capriccio views of Rome from the studio of Hendrik van Lint, once the property of the Earls of Buckingham, sold for £1,150.

One of the great bargains among antiques are British historical models. Glendinings yesterday sold the very fine model of the collection of Thomas Stainon for £21,548, above estimate but with prices still very modest.

The top price was the £704 paid for a portrait plaque of 1682 by Sir Edward Poynter, known as 'Uncle Caprese'.

Anthony Thornicroft

If you're

NON-UK RESIDENT

**and investing your capital
for growth**

**Nicholson Harris can help you
make the most of it.**

If you're non-UK resident, or about to become so, discover how Nicholson Harris can help you take full advantage of your favourable tax status, allowing you to enjoy the benefits of tax-free income and capital growth, with security.

Nicholson Harris is a totally independent company offering a continuous investment advisory service, tailored to the special needs of the non-UK resident.

If you have capital invested, or to be invested, in dollars, sterling or any other currency, complete the coupon below—or telex 8814711—for further information, entirely without obligation.

To: Nicholson Harris Associates Ltd.
25 Queen Anne's Gate, London SW1 Tel: 01-222 9411. Telex: 864711. **FT 2**

Full Name: _____

Address: _____

Capital Available/Currency: _____

NICHOLSON HARRIS

A totally independent company offering a continuous investment advisory service, tailored to the special needs of the non-UK resident.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
 Telegrams: Finantime, London PS4, Telex: 8954871
 Telephone: 01-248 8000

Thursday February 19 1987

Sense of drift in Spain

JUST AS students rocked the complacency of the French Government, they have now done the same in Spain. The Socialist Government of Mr Felipe Gonzalez this week has been obliged to beat a retreat on university reforms in the face of widespread protests, whose scale and spontaneity caught it unawares.

Although the success of the French student protests undoubtedly produced a knock-on effect in Spain, it would be wrong to press the analogy too far. The Spanish Government has retreated in a far more subtle manner and has not given way on the principle of university selection; the proposal for stiffer entry requirements was one of the main sources of protest. Moreover, the Spanish Government enjoys complete dominance of parliament where it faces an ineffective and divided opposition. Thus while the Chirac Government emerged weakened from its contest with the students, the Gonzalez Government has merely seen its stock fall—a chastening experience, but not a disastrous one.

Overhaul

It would be unjust to lay the full blame for the student unrest in Spain on the government. The need for a thorough overhaul of a poorly administered and under-funded university system churning out low-quality graduates is widely recognised. However, the government can be taken to task for failing to take sufficient account of the social and economic context in which the reforms were launched. Spain has the highest rate of unemployment in the industrialised world and the largest section of these unemployed is among first time job-seekers, especially graduates. Thus the proposals for more stringent selection and a new fee structure became the spear for an inchoate protest against the lack of prospects for Spanish youth.

For a man who has always prided himself on his political antennae, this showed a surprising lack of sensitivity on Mr Gonzalez's part. Yet it reflects a more worrying aspect

of his leadership. Having been elected last year with a comfortable majority and become Spain's longest-serving prime minister this century, he has permitted his administration to become more concerned with power than government. Admittedly, the disarray of the main opposition on the right has encouraged this state of affairs. But this is no excuse for his government's increasingly arrogant conduct and his own apparent aloofness from the electorate. It also tends to encourage extra-parliamentary opposition.

There is now an accumulating list of important issues on which decisions must be taken. Negotiations are stalled with the Americans on revision of the treaty governing use of their bases, and Mr Gonzalez still has not come clean on when he stands vis-à-vis NATO. He seems to want all the benefits of membership while pandering to the country's anti-American and anti-nuclear sentiments. Talks with Britain over the future of Gibraltar are bogged down, and Mr Gonzalez is caught in a potentially dangerous cross-fire from Muslim/Moroccan demands in the Spanish enclaves of Ceuta and Melilla.

Closer to home, he has found himself standing by while the Basques squabble over how to form a new autonomous government. However, the biggest problem in the wake of his retreat over the students is the economic policy. Mr Carlos Solchaga, his Economy Minister, is determined to bring inflation into line with the European norm, and has imposed a ceiling on wage increases of 5 per cent.

The unions, especially the communist grouping which controls the large public sector companies, have slipped in claims for double the ceiling. Embarrassed by criticism from the socialist grass-roots that economic policy has failed to tackle employment, Mr Gonzalez has done nothing to support his minister.

There is a clear need to reassert his leadership and provide a sense of direction now that the great hurdles of restoring democracy and EEC entry have been achieved.

SEVEN MONTHS have passed since Standard Chartered Bank dramatically escaped a £1.3bn hostile takeover bid from Lloyds Bank. Yet it was only 5 days ago that the Bank of England launched—at Standard's invitation—an inquiry into how it managed to beat off the largest bid ever launched for a UK bank.

Standard has never been able to lay to rest nagging questions about precisely how it achieved this victory: hence the investigation. The questions concern, in particular, the exact nature of its relationship with the famous "white squires" who rode to the rescue by buying more than 30 per cent of its stock, knowing that if the bid failed, Standard's bid-buoyed share price would be driven down and they would end up losing large sums of money, at least on paper.

The leading white squires were Sir Yue-Kong Pao, a Hong Kong shipping magnate; Mr Robert Holmes & Court, the Australian businessman; Tan Sri Khoo Teck Puan, a Malay financier; and the UK trading company led by Mr Tiny Rowland, Liberty Life, the South African life assurance company, led by Mr Donald Gordon, and Dr Henry Jarecki, head of the Mocatta companies owned by Standard. Sir Y. K. Pao's position is not known. But all the other white squires had large loans from Standard. None was considered likely to spend several million pounds merely in response to an appeal to their loyalties.

Since the bid, the Brunel Government has closed down the National Bank of Brunel (NBB), which is 70 per cent owned by Tan Sri Khoo, and gaoled his son. This leaves the Khoo financial empire looking shaky, a source of further embarrassment to Standard. Standard hopes the inquiry, being conducted by independent inspectors appointed by the Bank of England, will clear it of suggestions—which it has vigorously denied—that it helped to finance the white squires in their chase. In some circumstances this would be a criminal breach of the UK Companies Act. The Bank of England also has an interest in a positive outcome, insofar as it has already questioned Standard about its lending practices during the bid and concluded there was nothing wrong with them. Pressure to establish the facts is bound to be greater in the wake of the Guinness scandal, which has heightened interest in share support activities.

Whatever defence strategy Standard adopted to fend off Lloyds was likely to be unusual. With its strong links, from colonial times, with the Far East and its small UK domestic business, it does not fit the mould of a classic UK clearing bank. It could not count on the support that Barclays, for example, might be able to muster if under threat. On the other hand, it could—and did—draw on a deep well of goodwill in places like Singapore and Hong Kong, where it has helped many entrepreneurs to set up in business. Standard may also have been able to play on the fears of business magnates, such as Khoo and Pao, that it might fall to a rival. Khoo may have had an additional motive: he is thought to have been anxious to achieve the respectability of a seat on the board of a British clearing bank.

Standard's management structure and style are different from the other clearers. It is a federation of banks scattered round the world, rather than a body controlled from the centre. Its senior people are not typical of those at the top of international banks. Lord Barber, the chairman, a former Tory Chancellor, devotes much of his time to ambassadorial missions on behalf of the bank and to philanthropic causes. Mr Michael McWilliam, managing director, is a personable man whose youthful looks and correct manner are reminiscent of a public school cricket captain.

But McWilliam surprised many City analysts and fund managers by the ferocity with which he fought back against Lloyds.

STANDARD CHARTERED



Standard Chartered's Michael McWilliam (left) with "white squires" Robert Holmes & Court (top), Tan Sri Khoo Teck Puan (centre) and Sir Y. K. Pao (right).

Questions after the great escape

By David Lascelles and Clive Wolman

about the build-up of a hostile stake in Standard last February, when searches of the share register suggested a growing presence of foreign investors, including Khoo. At the time Khoo's bank was negotiating a credit facility with Standard which was finally granted in mid-April, a week after Lloyds declared its hand as the surprise bidder.

McWilliam became concerned

about the build-up of a hostile stake in Standard last February, when searches of the share register suggested a growing presence of foreign investors, including Khoo. At the time Khoo's bank was negotiating a credit facility with Standard which was finally granted in mid-April, a week after Lloyds declared its hand as the surprise bidder.

Khoo came to be seen as a potential ally in the white squire strategy planned by Standard's "defence committee", led by McWilliam.

The plan was always to mobilise the white squires at a late stage in the battle to achieve maximum surprise. But things were out of line. Casanova, Standard's broker, swung into

action to accumulate a 15 per cent stake for Pao only in the last four days of the bid.

In separate transactions, other brokers and Schroders, Standard's merchant bank, were actively whipping in other buyers for the shares. Lloyds ended up with 44 per cent, a close result which showed that the white squires played a decisive role.

Hoare Govett, Lloyds' stockbroker, suspected that Standard's supporters may have constituted a concert party in breach of the Takeover Code. But it found no supporting evidence.

The Bank of England's concern was aroused when Standard told it that, shortly after the bid, it had extended a

second credit line to Khoo's bank, which gave it a potential exposure of about £25m. But after questioning Standard's managers in London, the Bank took the matter no further.

Standard claims that it has sufficient internal checks and controls to prevent loans being forced through by individual managers; loans which are either illegal or in breach of the bank's regulations would be weeded out by this process, conservative banks.

The Brunel authorities were less relaxed about Standard's loans to NBB. In early July, they decided to investigate NBB and gave two implicit warnings to Standard's Singapore office, in late July and early September, that NBB was under sus-

picion. But Standard continued to allow NBB to draw down its loan facilities. It had become NBB's largest creditor by the time NBB's share price fell in November. Standard's decisions were more surprising in view of its reputation in South East Asia, as one of the most conservative banks.

But with its large surplus in Brunel dollars, Standard has a major incentive to make loans in this currency.

A fortnight ago, McWilliam was on a skiing holiday when the first embarrassing details about the bank's lending to Khoo were published. He was telephoned from London and the decision was made to ask the Bank to launch an inquiry. At the same time, Standard issued a writ against an article about its banking connections with the white squires.

The Bank's inspectors will not find it easy to cover the wide range of reference set for them, in view of the number of foreign businessmen and financiers involved. The Brunel authorities will probably co-operate by supplying documentation recording the details of the loans made by Standard to NBB and possibly other Khoo companies. Khoo will be obliged to co-operate as a former Standard director, and he returns to the UK. Holmes & Court, a Standard director, and Jarecki, an executive, are under similar obligations.

A further difficulty will be the absence of documentation on several key issues. For example, one telex sent to Standard's Singapore office by London head office says that the reasons for a decision about the second line of credit to the NBB will have to be discussed over the telephone.

The inspectors may, therefore, have to rely on the co-operation of the bank officials. One important witness is likely to be Mr Michael Brown, Standard's general manager in Singapore.

He is known to have expressed doubts to fellow expatriates about the loans to NBB. However, last week's Slaughter and May, Standard's solicitors, issued a statement denying any disagreement between McWilliam and Brown over the matter.

Another key interviewee will be Mr Stuart Tarrant, the finance director who resigned after the takeover bid failed. During the three months of the battle, a rift developed between Tarrant and McWilliam. Tarrant was less hostile to the Lloyds bid and he opposed McWilliam's white squire strategy. It was Tarrant who intervened at a board meeting to reverse a decision to extend the second £15m line of credit to Khoo's bank at the height of the bid battle.

Whatever the outcome of the inquiry, Standard Chartered looks vulnerable to a predator. Lloyds believes it suffers a tactical rather than strategic defeat last summer, and appears to be preparing for a renewed bid as soon as it is permitted to do so next July.

In the meantime, Standard's performance as a bank has, if anything, deteriorated. It has already warned UK investors that the heavy loan losses it has suffered in the Far East point to poor results when its 1986 accounts are announced on March 24. And these will exclude whatever losses are incurred through loans to the NBB.

British Coal's next task

WHEN THE effectiveness of Mrs Thatcher's regime comes to be weighed, her success in dealing with the long-standing problems of the coal industry will carry special weight. This is not just because of the political threat which militant miners posed to the government in 1984-85 or because of the Conservative party's folk memory of Mr Edward Heath's defeat after the three day week a decade earlier. The future of British Coal, now at an important turning point, will be seen as the test case of Mrs Thatcher's determination to root out inefficient practices from nationalised industries and to subject them to the discipline of the market.

Full advantage

Sir Robert and his lieutenants have been saying publicly for some time that significant changes in working practices are needed to take full advantage of the expensive heavy-duty machines being installed in a growing number of collieries. These machines are already raising the industry's efficiency in terms of output per man/shift. As a result, the industry sees its best prospect for years of breaking out of its depressing cycle of losses and dependence on the taxpayer. But if this is to be consolidated into steadily rising profits, it is argued, it can no longer afford the luxury of letting costly equipment stand idle for two days a week.

Other capital-intensive industries, such as steel and chemicals, operate on a continuous basis, as indeed do the coke ovens of British Coal's National Smokeless Fuels subsidiary. Longer working weeks are also in force in the deep mines of the US—seven-day working at non-union pits and six days at unionised collieries.

British Coal has stated firmly that major new investments in capacity, such as that proposed at Mayram in South Wales, should be designed to produce coal for six days a week, with Sunday reserved for statutory safety and maintenance work. However, in spite of Sir Robert's desire to see such changes evolve smoothly and gradually, it will be surprising if the unions concede them willingly and without exacting compensating benefits for their members.

An agreement for British pits to produce coal for six days a week would be a major departure from the five-day working agreement concluded 40 years ago between the newly formed National Coal Board and the National Union of Mineworkers. In the 1930s, men in privately owned collieries had received only two or three days work a week and could be laid off at a day's notice. Nevertheless, by 1947, with Britain often short of coal, the five-day week was introduced not so much as a guaranteed minimum as a maximum justified by the unpleasant nature of mining. The NCB's 1947 annual report said it was needed because "the men who worked underground were entitled to two days' light and air". Soon afterwards, voluntary working on Saturdays was permitted because of national coal shortages, but the principle of the five-day week was never surrendered.

Over the years, underground conditions have improved considerably. But mining is still an unenviable, unsafe and unhealthy occupation, and the NUM has long been committed to winning a four-day week. The introduction of heavy duty equipment, it argues, justifies a shorter working week than a longer working week.

Long wrangle

However, British Coal cannot afford another long wrangle between unions and management which does not consider the realities of competition elsewhere in the world. In the US, Queensland, Australia and elsewhere coal is being produced far more cheaply than in Britain, partly because of much better labour practices. The price of spot cargoes of coal on the Rotterdam market is less than half the average price which British Coal is charging to its major customer, the Central Electricity Generating Board.

The leadership of the NUM seems to be preparing a determined resistance to the changes in working practices which British Coal wants. Given that the prospects of reaching some form of enabling agreement at national level look poor, the management may have to concentrate its efforts on persuading miners at local level that their interests will best be served in a modern, profitable industry, making flexible use of new technology and equipment. The more British Coal can decentralise its negotiations over wages and productivity, the better.

Welsh agency gets clean bill

Chairman, John Williams, looked pleased with himself yesterday as he heard the Welsh Secretary, Nicholas Edwards, give a clean bill of health to the Welsh Development Agency. The two men were sitting together in the Welsh Office, Whitehall, answering questions from both London and Cardiff over a special video link.

The inquiry into the state-financed agency was initiated a year ago following the decision of Mrs Thatcher to take a hard look at all government quangos.

Yesterday Williams heard Edwards say unequivocally that the agency was "playing an extremely important role in the economic and industrial development of Wales." He added, "I see this review, carried out jointly by the Treasury, the Welsh Office, and Coopers and Lybrand, as an endorsement of the agency's approach."

Williams, a former chief executive of BOC, and currently a director of the Belfast shipyard Harland and Wolff, could afford to hide details of criticisms of the agency contained within the report with



"Has the row between Mrs Currie and Mrs Kinnock had any effect on which soap powder you use?"

Men and Matters

equanimity, given such overall government approval. The report looks for a simpler accounting, tighter financial forecasting, and smarter planning, among other matters.

"We are making an effective contribution to the economy of Wales," he claimed. "The Principality is becoming a very fashionable place to invest in. And that is due in no small measure to the work we have been undertaking."

But Edwards is a hard taskmaster. He expects the bulk of the report's recommendations to be implemented by the middle of this year. Which is going to give the WDA a lot of hard work in the coming few months.

Four-score

Senior BBC executives who meet to discuss the weekly television output had something more interesting than programmes to discuss yesterday. They had been leaked a copy of a poll on the great director general race carried out by the corporation's own television programme, "Did You See?"

Viewers have not, in fact seen the results of the poll because Bill Cotton, managing director of BBC Television, banned it from the screen.

For the record, then, the poll taken among 49 senior executives from the BBC, ITV and the independent sector, gave a boost to the candidature of Jeremy Isaacs, chief executive of Channel 4. Forty-seven per cent wanted Isaacs to get the job—and 53 per cent thought he would get it. Among BBC executives alone, the poll revealed a

marked divergence of opinion. Forty-five per cent would like Paul Fox, managing director of Yorkshire Television, installed in the director general's seat, compared with 33 per cent for Isaacs. But 61 per cent predicted that the Channel 4 man would actually get the job.

Very hard cash

Foreign airlines are becoming increasingly tired of the way Liberian nationals are purchasing air tickets with sacks full of local coins.

The bags of bounty cannot be changed into the sort of hard currency which enables airlines to keep flying. And, so far, the Liberian government has shown no disposition to help the airlines out—reminding them instead of the government's efforts to pull the country out of economic crisis.

Liberia, Africa's oldest republic, founded by emigrants from the United States, in theory uses the US dollar as its medium of exchange. But dollars have grown scarce in African countries as commodity export earnings have declined. So the Liberian government has tried to ease the liquidity crisis by minting five dollar coins of its own.

These local coins can now be bought on the local black market for about two-thirds of their nominal value. One airline has unwillingly accumulated \$5m in the five-dollar coins which it cannot transfer abroad.

The airlines serving Liberia have said that if the government does not solve their foreign exchange problems they may be forced to introduce a new policy—as yet unspecified—on ticket sales.

A similar row resulted in the US airline Pan-Am recently ending some flights serving Nigeria. Two-tier currencies and international air travel are uneasy bed-fellows.

Key of the door

A British company has won orders to export computer bings to the American Indian reservations.

Technicians at Thomas Automatics in Loughborough, Leicestershire, spent six months developing a giant screen which displays all the facts about the game in progress. Winners press a button when they get a full house.

Now the company's agents are visiting the reservation to advise on how the £30,000 custom-built computers can be incorporated into bingo halls being designed by other British companies.

Company chairman, Jimmy Thomas says: "The United States is 20 years behind us in the development of computer bingo. For them it is still a game to play with ping pong balls in church halls."

"But the Indian population likes the game and has invited the British on to the reservations." Given them the key of the door, you might say.

Porter's burden

Sir George Porter, Nobel laureate and president of the Royal Society, was on top form in defence of his beleaguered profession when he spoke to the Parliamentary and Scientific Committee in London yesterday. He baited, in particular, those who claim there is no correlation between scientific activity and industrial success.

"A very senior Treasury official put it to me bluntly, saying that there was too much science, it was like the butter mountain," said Porter. The official suggested that what was needed were better administrators and managers — "He just stopped short of advocating more colonial civil servants," Porter reported.

Observer

Has Big Bang meant little service from your broker?

Lazard Investors

21 MOORFIELDS, LONDON EC2P 2HT
 TELEPHONE 01-588 2721

This has been the experience of a number of private investors with a portfolio of £350,000 and over. Suddenly the broker they've known for years has been swallowed by a faceless conglomerate and the sort of personal attention they previously enjoyed replaced by unanswered telephones and computer printouts.

If this sounds familiar, why not get in touch with us, Lazard Investors. We are part of one of the few leading merchant banks, Lazard Brothers, who have deliberately remained totally independent.

We offer expert investment management for discerning private clients. We can manage your portfolio on an active discretionary basis, working with your other financial advisers.

At present we manage over £600 million for private clients.

Why not send for further details without any obligation?

NAME _____
 ADDRESS _____

Philip Stevens, Lazard Investors, FT/19/2/BB
 21 Moorfields, London EC2P 2HT. Tel: 01-588 2721.

ECONOMIC VIEWPOINT

Fiscal versus economic sums

By Samuel Brittan

MRS THATCHER claims it is all very simple. She told a Barclays Bank reception in Finchley, north London: "The attitude which I have towards spending your money as the Prime Minister is the attitude I got from being in small business. I ask myself, would I do this if it were my own money?" (Note the first person—no mention of the Chancellor.)

This family metaphor does not answer the key question about the Budget, which is whether it should be based on the fiscal arithmetic or the underlying economics.

On present trends not only will the Public Sector Borrowing Requirement in 1986-87 turn out at little more than half the original estimate; but in the original estimate, the Chancellor will have a "fiscal adjustment," maybe of more than £4bn, which he can use either to lower taxes or to reduce the PSBR below the 27bn projected in the last statement of the Medium Term Financial Strategy (MTFS).

In thinking about the Budget it is more helpful to turn to a paper which Professor Alan Budd and Mr Geoffrey Hicks have written for the forthcoming February issue of the London Business School Economic Outlook, relating the Budget to the MTFS. The MTFS was concerned to bring down the rate of inflation and to create conditions for a sustainable growth of output and employment.

These aims are still valid, in spite of the collapse of the technical monetary relationships on which the strategy originally relied. The effect of this collapse and the increasingly unconvincing nature of official exposition of monetary targets—is that we have to move behind the technicalities to the basic objective.

This is to ensure a steadily declining path for the growth of demand in money terms, sufficient to put downward pressure on inflation, but leaving room for an increase in real output and employment, if pay and prices are suitably restrained.

The best measure for this purpose is the national income in money terms or Nominal GDP. The Treasury began to publish projections for this variable in 1982 and the mon-

tary targets were always derived from a view of how it should behave.

The table shows that the Government has been much more successful in meeting its underlying objective for the growth of demand, as expressed by Nominal GDP, than in its detailed monetary targets. This becomes clearer if the outcomes for 1984-85 and 1985-86 are averaged to offset the distortions of the miners' strike.

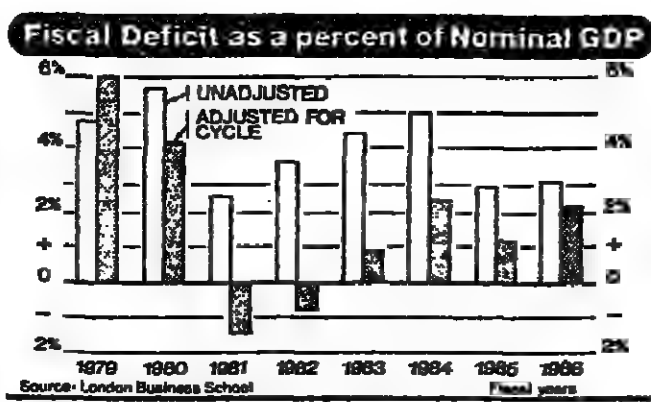
In the financial year now ending, 1986-87, the London Business School expects a Nominal GDP growth rate of just over 6 per cent to be split between 24 per cent real growth and 34 per cent inflation. These figures conceal an accelerating pace of demand and output in the course of the year; and the LBS expects real growth to rise to 34 per cent in 1987-88.

Indeed there is a danger of the boom going too far for its own good, upsetting the success achieved so far with the MTFS. The Treasury itself increased its forecast for Nominal GDP growth in 1987-88 last autumn by 1 per cent from its original 64 per cent and the LBS now expects it to be even larger at 8 per cent. In addition, the LBS now sees a worsening split between real growth and inflation in the coming financial year, with the underlying rate of inflation, measured by the GDP deflator rising by 1 per cent to 34 per cent. The fall in inflation due to lower oil prices proved a flash in the pan and was not consolidated.

This is surely a time to take no risks on the side of further demand stimulation. It would be said, after all the efforts and job losses of the last few years, we have started climbing up a Phillips curve again. By this I mean that we would be buying a temporary spurt in growth and jobs at the expense of rising inflation.

I hesitate to mention the likely current payments deficit, as it will be easy to finance and will in any case be a symptom of other problems. Indeed a current payments deficit and an increase in inflation are alternative responses to an excessive growth of domestic expenditure, faster than the home economy can meet on a non-inflationary basis.

How then do we prevent, or reverse, any inflationary take-off without the need for jam-



Source: London Business School

ming on the brakes abruptly later. The LBS authors then postulate a trend move to zero inflation by 1982-83. If that happens the growth of Nominal GDP should be then be the same as that of real GDP, taken up to 24 per cent per annum. If the public sector debt ratio is to remain stable, the PSBR—shown of asset sales—would have to be 14 per cent of GDP. The LBS projection shows a gradual path towards this ratio, starting from 2 per cent to 3 per cent in 1986-87.

Unfortunately I see snags in this approach which could nationalise a more expansionist 1987 Budget than the authors would really like to see. Their suggested path allows the Government in the coming financial year a PSBR, as normally published, of £34bn. On present form the Chancellor may well be able to stay within this level even if he cuts £2bn off taxes, worth 2 per cent of the basic rate of income tax—or maybe even more.

The fiscal deficit shown in the chart accordingly excludes asset sales. The shaded rectangles are an attempt to allow for the economic cycle. The 1986-87 outcome will almost certainly be

Looking further ahead, there are many adjustments which could raise the LBS long-term PSBR path. "No inflation" even in the most sound money countries tends to mean a 2 per cent annual trend rise in prices. If one accepts this interpretation and shades up slightly estimated real growth, one ends up in 1982-83 with a 5 per cent growth of Nominal GDP and PSBR target of 24 per cent of GDP, excluding privatisation. This is little if at all higher than likely in the coming year and would suggest that fiscal retrenchment can soon come to an end.

Suppose we knew nothing about the fiscal arithmetic, what advice could we reasonably give the Chancellor? First that the Government should commit itself to do all in its power to prevent sterling sliding further and, if possible, to stabilise it at just above present levels.

Secondly, the Government should do nothing to stimulate spending further, whether by tax cuts or expenditure increases. In other words no overall tax cuts, or "zich" as they call it in the vernacular. Tim Congdon of Messels now warns us not to take the Budget too seriously because the growth of personal sector credit of £33bn pa, is far more important than marginal changes in the fiscal position. This is a bit rich, coming from someone who was passionately denouncing the Chancellor as an inflationist a little while ago for not going for a "balanced Budget."

Unless they are prepared to advocate a very sharp rise in interest rates—with all the exchange rate consequences—or a restoration of severe credit controls or the institution of a dual interest rate, City economists perform no useful purpose by moaning and groaning about bank lending and credit. Arguments about magnitude, or other influences, are not a justification for going in the wrong fiscal direction, or failing to do as much as possible on that front to stabilise the economy.

A sensible economic strategy would involve devoting all or more than all the £4bn or so fiscal adjustment to reducing the PSBR. In Mrs Thatcher's terms it is putting something away for a rainy day. In macro-economic terms it would reduce the inflationary risks immediately ahead, while putting the Chancellor in a good position to stimulate demand in the face of a future slowdown. But both the LBS and the Treasury overplay the effects of a low PSBR on interest rates. An "irresponsible" fiscal policy raises interest rates; but if this is avoided the main influence of interest rates are the world's wide real rate of interest and expectations about sterling. How far can the very optimistic conventional fiscal arithmetic modify the austerity of this prescription? It would in my view be worth taking a risk with demand management to use some of the fiscal adjustment for structural changes which reduce the underlying unemployment, rate compatible with stable inflation, or improve supply performance in other ways. By this I mean first and foremost incentives to profit-related pay far greater than those suggested in the official Green Paper. Something could also be done for employee share schemes. Secondly, I mean job-creation measures specially tailored to the long-term unemployed. Such structural measures, which tend to have a low first-year cost, would leave room for a massive reduction in the published PSBR.

Neither Labour nor the Alliance parties will carry conviction if they oppose tax cuts, not out of fiscal prudence but because they want more public spending instead. If politicians are to put too much money into circulation, it is less bad that it should end up with families and businesses, whose money it originally is, rather than with the public sector. Best of all would be for them to be taken from handouts in either direction.

Lombard

Ears bend to the bankers' plea

By John Plender

THE BRITISH are a curious lot. First, they deregulate their financial system, thereby undermining the club ethic in the City of London. Then they try to recreate the club by legislating to prevent unwelcome foreigners buying into the banking system. Is there really any justification for the Treasury's concession this week to the banking lobby whereby foreigners will be excluded unless British banks enjoy reciprocal access in the purchaser's home market?

Clearing bankers have always argued that their role in the monetary system makes it undesirable for them to fall into foreign hands. Well, yes, up to a point. The US attempt to freeze Iranian deposits in London in 1979 did indicate the potential for harmful foreign influence. But this is not what really worries the banking lobby. The clearers are paranoid about the deflationary and the Government has obliged them by putting a reciprocity clause into the Banking Bill, just as it did with the Financial Services Act.

The trouble with this is that it will end up providing blanket protection for the whole UK banking sector. Yet there is nothing in the nature or scale of the operations of the merchant banks that makes them strategically significant. The accepting houses, however, offer a rather different argument for protection. Their business, they say, is based on confidence. Foreigners tend to have lower standards of behaviour than the native British banker, runs the (altogether xenophobic) argument; and in a world where the Bank of England's system of nods and winks no longer works, a ring fence is the only way to protect merchant banks from losing their clients' confidence, and perhaps ultimately their deposits, if a foreign predator sits on their tail.

The clincher, as far as the accepting houses are concerned, is the case of Brown Shipley Holdings, one of the smaller members of the club with a not overly impressive earnings record. Last year Brown Shipley was concerned to discover that Henry Ansbacher, which is controlled by the Belgian Pargess group, had acquired with its associates more than 20 per cent of its share capital. The bank argues that both existing and potential customers were genuinely worried about the impact of any outside influence on the quality of the advice given by the bank. So the stake had a damaging effect on the business.

To anyone but a banker this looks like special pleading. The possibility of an unwelcome outsider buying a share stake is, after all, one of the penalties of coming to the stock market for equity capital. Some might think that Brown Shipley's clients were a peculiarly sensitive bunch. And surely people hire merchant banks precisely because they are supposed to be skilled in handling such situations. When the American predator Saul Steinberg was nibbling at Mercury International, parent of S. G. Warburg, Mercury found a friendly Canadian pension fund to buy out at a fancy price. Indeed Brown Shipley itself has seen the Ansbacher stake removed to the more friendly hands of Kredietbank.

Business schools

From Mr M. O'Shea

Sir—So Britain's foremost business schools are under strong competition from overseas (February 18) and the wicked government is cutting their grants. Even worse, this is just at the very time that they wished to expand their subsidised places.

Unfortunatly, the obvious answer of raising the cost to the elite UK students is not seen as viable. A request for more than the £1,700 per year presently charged might lead students to go elsewhere—perhaps even overseas (INSEAD?). There seems to be only two conclusions to be drawn. Either British business school education is worth the full cost, in which case is an efficient market students will be willing to pay for it, or it is not, yet another British industry, too long subsidised, is failing to provide value for money. If the business schools cannot learn to compete how can they teach our future leaders of British industry to be able to do so?

Perhaps it is time to let another land duck sink or swim without the taxpayers' money. Michael O'Shea, 3 Thornbury Road, SW2.

India's village

From Mr V. Bhaskar

Sir—John Elliott's report, "Lightening India's village load—aluminium bullock carts and a social order" (February 14), revealed a one-sidedness in the perception of India's backwardness which needs to be redressed. The caption to the photograph of a bullock cart—a symbol of subhuman resistance to change—captured succinctly the tenor of the report. India's poverty and backwardness was because it "resists" innovations and innovations that could upset the established social and economic order."

Despite the promises of successive governments to eradicate illiteracy, nearly 80 per cent of the population remains unlettered with a consequent ignorance of modern science. Nevertheless, a large section of the "deeply resistant world of India's 600,000 villages" have participated in the Green Revolution. With the adoption of high-yielding varieties of seeds, a chronically deficit and dependent country has become practically self-sufficient in food. Research findings have been hesitated to adopt the new technology where the requisite back-up facilities such as irrigation and credit were available. Conversely the failure of certain regions to adopt the new technology is due to the lack of investment in irrigation and the predominance of archaic

Letters to the Editor

agrarian structures which rack-rent tenants and deny them security of tenure.

Prime Minister Rajiv Gandhi's modernising zeal would perhaps be most useful if he extended irrigation and implemented the laws already on the statute books to reform the agrarian system so that the majority of the population could gather the fruits of technological progress. A more serious need is to eradicate illiteracy which also do wonders.

The bullock cart itself would stay for some time to come. India needs new technology, but a technology which must be assessed carefully and found appropriate to her needs. Whether aluminium carts are a boon or not has to be assessed in relation to their technical suitability to village conditions as well as their effect on local employment.

Perhaps we can hope in the future for a more balanced assessment of India's backwardness in place of this quaint superficiality, which is understandable in one used to a completely different social milieu does little to advance our understanding.

V. Bhaskar, St John's College, Oxford.

University

From the Vice-Chancellor, City University

Sir—In his commentary "Boardroom approach to academic" following the publication of the Croham report on the University Grants Committee, Michael Dixon (February 11) referred to the proportion of universities' expenditure deriving from public funds as being 85 per cent. This would be a correct deduction if one could rely on the figures in the report to derive such information. The form of accounting required of universities in making their returns to the UGC currently understates income by about 70 per cent, since it excludes activity not directly related to teaching and research, and does not distinguish between public and private funding under several of the headings. For this institution in 1985-86 the block recurrent grant from the UGC was only 39 per cent of total turnover and the total fraction of public funding was 58 per cent, as can be seen from our published accounts. These percentages will decline for the remainder of this decade.

In determining the amount of direction and oversight to be exercised by any remodelled UGC, it is important that the arguments should be based on figures which do not overstate the current contribution to income flowing through the UGC or deriving from public funds. (Professor) R. N. Franklin, Northampton Square, EC1

Full force of the FSA

From Mr J. Newbegin

Sir—I refer to the very interesting article of February 12 entitled "An American look at the Guinness affair." I should make it clear that my comments are of a general nature, and are not a reference to the Guinness affair.

The authors of the article point out that United States law and United Kingdom law approach, in quite different ways, the question of alleged securities manipulation by a company. They make the point that while in the United Kingdom the issue is whether financial assistance was given by a company to buy its own shares, in America the focus is on whether there has been stock market manipulation in contravention of SEC Rules 10b-5 and 10b-6.

Once the Financial Services Act comes into full force, however, it will be possible for the same approach to be adopted in the United Kingdom as in the United States. This is because S.47(2) of the Financial Services Act states that "Any person who does an act or engages in any course of conduct which creates a false or misleading impression as to the market in or the price or value of any investments is guilty of an offence if he does so for the purpose of creating that impression and of thereby inducing another person to acquire, dispose of, subscribe for or underwrite those investments..." It is interesting that this subsection closely follows the relevant SEC rules dealing with stock market manipulation. The advantage of being able to rely upon this subsection of the Financial Services Act rather than using S.151 of the Companies Act 1985 which prohibits financial assistance except in certain limited circumstances, is that the difficult questions of law which can arise under the Companies Act will be avoided. It does not appear to have been generally appreciated how wide the effect of S.47(2) of the Financial Services Act will be

once it is brought into force and it will be interesting to see what use the relevant authorities will make of this new weapon. J. L. T. Newbegin, Cameron Morley, Moor House, London Wall, EC2.

Essentials for progress

From Mr J. Crossick

Sir—"It is interesting to compare Gorbachev's new look" (February 16) with the policies of Mr Deng Xiaoping. Both states have been, in economic terms, performing far below their respective potentials. Both are now led by men who are relatively speaking radicals. Both administrations are eager to adapt their socialisms to the needs and requirements of the 21st Century.

But note the difference between their approach. Mr Gorbachev has set about tackling the flaws in the Soviet political system. He is doing so before venturing on any far reaching economic reforms. Mr Deng Xiaoping on the other hand has launched China's four great economic reforms far ahead of any corresponding political reforms.

Meanwhile, the west seems to understand the fundamental problem facing all brands of Socialism. Economic democratisation is essential for progress. That democratisation may severely undermine a nation's political status quo. Consequently, to what degree should the state consider extending political democracy? It is a paradox that Socialism seems to be the conservation of our day.

John Crossick, 3 Park Crescent, Mease East, W1.

Support for marketing

From Dr B. Wither

Sir—"The chicken and egg of marketing" (February 17) Charles Batchelor explains the DTT support for a marketing scheme. The support given is to help formulate marketing strategy and plans not just to research markets (unlike previous DTT support), and this help is not being made available to new enterprises.

The national coverage is also patchy, the research support centre to the north-east is Salford! This area is crying out for assistance of this sort. Contacts with Salford seem rather chaotic, despite leaving telephone messages and sending the odd letter, nothing seems to come back to us. Perhaps the marketing programme needs a marketing plan.

(Dr) Barry Wither, Durham University Business School, Mill Hill Lane, Durham.

IS THIS YOUR AD AGENCY'S VIEW OF MPX?

We very much doubt it.

Competition amongst agencies is far too keen for them to miss out on something new like MPX. (Well, new to Britain. It has been available in America for almost three years.)

MPX stands for magazine page exposure. It's a measure of the average number of times pages in a magazine are seen.

Each magazine has its own MPX 'score'. This varies depending on how the magazine is used by its readers. Radio Times, with its ten days at home, has an MPX score of 2.5.

That is, on average, one insertion gives 2.5 opportunities for people to see your ad.

By comparison, one transmission of a television or radio ad, gives one opportunity to see, or hear, that ad. (If you want more, you pay

more.) Of course, one exposure to an ad is worthwhile. It produces a response.

This has been thoroughly proved by research in America.

But the same research has also proved that two exposures almost doubles this response.

And remember, Radio Times gives you more than two exposures.

Any evaluation of a schedule, based on the assumption that one press insertion gives only one opportunity-to-see is, bluntly, out of date.

We've no doubt your agency is responsibly monitoring your budget, and using MPX.

But it might be as well to check.

Also, we should point out that applying

MPX usually works in our favour. However, it always works in yours.

RadioTimes

For further information contact Head of Advertisement Department, BBC Enterprises Limited, 35 Marylebone High Street, London W1M 4AA. Tel: 01-927 5238. Sources: MPX Consortium Study 1986. Derived from various Pollux studies, see 'Magazine Newsletter of Research - No. 3', Magazine Publishers' Association, May 1982.

Newly Qualified Accountancy Appointments

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent PII examinations. We propose to publish the list in our issue of Thursday, March 5, which will also contain several pages of advertisements under the heading "Newly Qualified Accountancy Appointments." The advertising rate will be £43.00 per single column centimetre. Special positions are available by arrangement at premium rates of £52.00 per single column centimetre.

Guide to Recruitment Consultants
and entries in the Guide will be charged at £55.00 which will include company name, address and telephone number.

For further details, please telephone:

Louise Hunter on 01-248 4864
Jane Liversidge on 01-248 5205
Daniel Berry on 01-248 4782
Emma Cox on 01-236 3769

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER
LONDON · FRANKFURT · NEW YORK

INTERNATIONAL APPOINTMENTS

Sweeping reorganisation at Chemical New York

BY WILLIAM HALL IN NEW YORK

CHEMICAL NEW YORK Corporation, parent of one of the biggest New York money centre banks, has unveiled a sweeping management reorganisation which confirms that Mr Thomas S. Johnson, aged 46, is the second in command of the group and reduces the number of senior management layers.

Mr Walter Shipley, Chemical's 51-year-old chairman and chief executive, announced yesterday that the group has established a new corporate office which apart from himself is to consist of Mr Thomas Johnson, the president of Chemical New

York Corporation and Chemical Bank, Mr Robert J. Callender, aged 56, who will become a vice chairman, and Mr Richard Simmons, aged 58.

The management reshuffle comes just over three years after Chemical solved the delicate issue of who really was second in command of the group by giving three of its executives the title of president.

Under the latest reorganisation, Chemical is dismantling its old structure of having separate world banking and capital markets operations.

Both these operations will now report to Mr Johnson, while Mr Callender, who headed the world banking group, will be responsible for Chemical's consumer, small business and middle market banking activities.

Mr Callender will also have responsibility within the corporate office for working closely with Texas Commerce Bancshares' management to achieve the maximum potential benefits from the recently announced merger of Chemical and Texas Commerce.

E. F. Hutton reshuffle brings in new chief

E. F. HUTTON, the Wall Street investment house, has announced that Mr Robert Fomon, its chairman, is to relinquish his executive functions at the company, while remaining chairman.

Mr Fomon comments that with the election of Mr Robert Rittner as chief executive officer: "The transition in leadership that I initiated almost two years ago is substantially complete. It is time to shift the reins entirely to a new team."

Japanese manager for First Boston (Asia)

First Boston (Asia), a wholly-owned subsidiary of First Boston Corporation, the investment house based in New York, has appointed a Japanese manager for its Tokyo branch, reports Kyodo from Tokyo.

Mr Keisuke Inaba, a former manager of Kidder Peabody and Company also a Wall Street investment house, in Tokyo, will head the Tokyo arm of First Boston (Asia), which started its operation in 1985.

Bank Leumi picks its new leader

BY JUDITH MALTZ IN TEL AVIV

MR ZADIK BINO, has been appointed managing director and chief executive officer of Bank Leumi le Israel, the country's leading bank.

He succeeds Mr Mordechai Einhorn, who resigned several weeks ago over a series of scandals involving payments made to top management figures.

Leumi's board resisted pressure to name someone from within the bank as its head, hoping that a new face would help improve the bank's badly scarred image.

Mr Bino, 45, widely regarded as a "wonderboy" of Israeli banking, began his career as a teller and rapidly worked his way up, to become managing

director of the First International Bank in 1980, turning it into Israel's most profitable bank. The First International Bank, ranked number five among the country's commercial banks, was the only major bank to emerge from the 1983 bank shares crisis unscathed.

Mr Jack Nasser, the New York based investor who has a controlling interest in the First International Bank, insisted that Mr Bino sign an agreement promising not to disclose any of the bank's business strategy before allowing him to go.

Meanwhile, Mr Yigal Arnon, a Tel Aviv based lawyer has taken over the top position at the First International Bank.

Head for Bond Media

MR SAM CHISHOLM, the Australian television executive, has been appointed by Mr Alan Bond to head the television interests of Bond Media Ltd—the new public company which will contain the television interests acquired in the ASIB deal with Consolidated Press Holdings, and Mr Bond's existing networks.

Mr Chisholm, who is a director of a number of CPH companies, is to be responsible

for the group's four television stations and Sky Channel. He will also be responsible for the introduction of the new national television network.

He started in television as sales executive with GTV, Melbourne, in 1966, and became general manager of the Sydney TV station, TCN in 1976 and president and managing director in 1979, and later assumed overall responsibility for TCN and GTV.

Accountancy Appointments

QUALIFIED ACCOUNTANTS BIRMINGHAM

PRIMUS INTER PARES

To be the first among equals has always been the ambition of aspiring minds. Intellectual equals stimulate and spark each other. The quality of ideas is advanced by analysis and criticism.

For the qualified accountant who has achieved rapid upward progression this challenge often diminishes as the intellectual boundaries of colleagues are reached. Nor perhaps do projects provide sufficient scope for constant innovation and change.

This is the moment when the high achiever should consider management consultancy in general — and with Touche Ross in particular. The calibre of our people and our project work provide a continual challenge in an environment that stretches abilities to the full.

At Touche Ross you would be involved in providing practical solutions to client problems. Assimilating a brief, assessing the issues and presenting the right solution persuasively. Then seeing it through to implementation.

You will need to convince us of your single-minded commitment to excellence of work and of your ability to maintain standards of consistent success.

Opportunities are available in our Birmingham office to people with a good first degree and appropriate professional qualification. Salaries are negotiable and a car is provided.

If you are determined to be *primus inter pares* and reach the top, then please write in absolute confidence, with career resumé and full salary history to: Graham Comfort, (Ref 2751), Touche Ross & Co., Kensington House, 136 Suffolk Street Queensway, Birmingham B1 1LL.

Touche Ross
Management Consultants

There has never been a better time to join Volvo YOUNG COMMERCIAL ACCOUNTANT

to £22,000 + 700 SERIES VOLVO
MARLOW, BUCKS



Volvo Concessionaires, a subsidiary of Lax Service plc, sold a record 69,000 new cars in 1986 and had a turnover in excess of £400 million. The UK is now the second largest Volvo market. To enhance our market leading position, we are constantly seeking to improve further our high standards of professionalism, customer service and commercial innovation.

As part of a young head office finance team, the Financial Planning Manager will play a key role in monitoring and planning a changing business. You will work closely with commercial management to develop reports, forecasts and business plans through the use of computer modelling techniques.

You will be a qualified accountant with strong commercial awareness and at least two years post qualification experience in industry or possibly the profession. The ability to influence and challenge views of senior management is essential.

There are proven opportunities to progress rapidly within the group, either within finance or into commercial/general management. Benefits include BUPA, non-contributory pension and 28 days holiday.

Please write — in confidence — with full career and salary details to our adviser Peter Evans, ref 49363, MSL International, Pilgrim House, 2/6 William Street, Windsor, SL4 0BA, or phone him on (0753) 842044.

VOLVO

Financial Analyst Slough

Servicised, part of the International W R Grace organisation, are market leaders in specialised products for the construction and pipeline industries worldwide.

We will shortly be moving our head office from London to Slough, and due to the resulting reorganisation require a Financial Analyst to join us at our new location.

Reporting to the Finance Manager, you will be responsible for providing clear, concise reports on the Company's performance each month to enable the Directors to monitor the profitability of the various parts of the Company. This information will also be used by you to help develop the Company's Budget and Business Plan.

In addition to the finance function, the Finance Manager is responsible for the Purchasing, Administration and Data

Processing Departments, so there will be plenty of scope for a variety of assignments in these areas.

If you are qualified ACCA, ACA, ACCA, aged 25-32, with experience in financial analysis or budgetary preparation, have knowledge of computerised spread sheets such as Lotus 1-2-3 and would like the opportunity to work in departments outside the strict financial function, we can offer an excellent remuneration package, career development opportunities and the benefits you would expect from an established and successful international company.

Relocation assistance where necessary is available to the successful applicant.

Write enclosing full career details to: J P M Gray, Finance Manager, Servicised Limited, 2 Caxton Street, London SW1H 0QJ.

SERVICISED

FINANCIAL DIRECTOR DESIGNATE London

Age: Mid 30's

c £35,000 + car

A profitable, rapidly expanding firm of property advisers has made the decision to incorporate. They require a Financial Director Designate who will report to the Senior Partner and whose primary task, initially, will be to implement plans for flotation.

In addition, the successful candidate will be involved in a broad variety of commercial and accounting matters, including responsibility for the further development of computer systems, financial reporting and cash management systems and the direction of a busy accounts department.

Candidates must be qualified accountants, preferably aged mid 30's, be computer literate and have had wide accounting experience. Some experience in a professional partnership and exposure to the requirements of flotation would be an advantage.

The salary is negotiable c £35,000 plus car and there are valuable benefits, including equity participation at a later stage.

Please send a comprehensive career resumé, including salary history and day-time telephone number, quoting ref 2747/FT to W. L. Tait, Executive Selection Division.

Touche Ross
The Business Partners

Hill House, 1 Little New Street, London EC4A 3TR.

DEPUTY DIRECTOR OF FINANCE

Salary Scale M

£20,430 - £25,108 p.a.

Following the promotion of the current postholder, applications are invited from highly motivated and experienced financial managers to join the Finance Directorate of this large Regional Health Authority.

This is one of three second-in-line managerial posts supporting the Director of Finance. Applicants who can offer demonstrable records of achievement and have the initiative, ability and confidence to participate in the management of this £930 million turnover Authority should apply.

The possession of a CCAB accountancy qualification is essential. The successful applicant will head the Division responsible for financial management and the development of financial information systems. This covers the progression of resource management including clinical budgeting and the development and control of supra-Regional and multi-District specialties and services.

The region covers the area of S.E. London and the counties of Kent and East Sussex. There are 15 District Health Authorities differing from inner city areas with social deprivation to the more affluent rural and coastal areas. Three major London Teaching Hospitals are served by this Regional Health Authority.

The Authority's attractive offices are located in the coastal town of Bexhill-on-Sea.

Included with salary is the possibility of good relocation expenses. If you are interested please telephone or write for an information package, job description and application form which are available from the Regional Personnel Authority, Thrift House, Collington Avenue, Bexhill-on-Sea, East Sussex, TN39 3NG. Telephone (0424) 222555, Ext 2064/2066.

Ref 7041.
Closing date: 6th March, 1987.

Accountancy Appointments

FINANCE DIRECTOR

COPEMAN RIDLEY LIMITED

from £20,000 + bonus + car

This long established company, turnover c.£30m., is the MACE food wholesaler for East Anglia. It is also developing other trading and distribution activities to broaden its platform for continued growth.

The present Finance Director retires shortly and a successor is sought to assist the new Chief Executive in regenerating the business following a difficult trading period. The Head Office and principal distribution centre is in Norwich with another warehouse in Ipswich.

The appointment carries full responsibility for financial management of the business with particular emphasis on the enhancement of financial reporting and the further development of

computerisation — the company has an ICL System 10 supporting terminals at Norwich and Ipswich. The appointee will be expected to make a major contribution to business strategy including the evaluation of potential acquisitions.

Candidates must be qualified accountants with a strong commercial background. Experience in finance and/or distribution sectors will be highly relevant. Leadership qualities and a developed business acumen will be required in improving the effectiveness and maintaining the commitment of an experienced workforce.

Please write, enclosing full career details and quoting reference C6750/L to Mike Smith, Executive Selection Division.

**PEAT
MARWICK**

Peat, Marwick, Mitchell & Co.,
165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

Head of Group Audit

Excellent promotion prospects

from £30,000 + car and benefits
Derbyshire

This major international manufacturing group with worldwide turnover in excess of £2 billion, seeks a Head of Group Audit to replace the recently promoted previous postholder. The group has shown outstanding profit growth in the last few years and has embarked upon a programme of investment for the future, including acquisitions.

Within an environment of decentralised operational responsi-

bility, the internal audit team of committed professionals plays a key role in ensuring tight financial control and effective management reporting.

Candidates should be qualified accountants with extensive experience of internal audit in a large and diverse manufacturing environment. This position will entail significant travel in both the UK and overseas.

The successful candidate will be

expected to improve and develop the audit service and will have excellent promotion prospects.

Candidates should write enclosing a full CV, quoting reference MCS/1025 to: Michael D. Madgwick
Executive Selection Division
Price Waterhouse
Management Consultants
No 1 London Bridge
London SE1 9QL

Price Waterhouse

Appointments Advertising

£43 per single
column centimetre.
Premium positions
will be charged £52
per single column
centimetre.

For further
information call:

Jane Liversidge
01-248 5205

Daniel Berry
01-248 4782

Emma Cox
01-236 3769

Management Consultancy

Exceptional Opportunities

The Management Consultancy arm of a major international firm of Chartered Accountants with "big 8" status is currently planning to double in size over the next two years in order to meet the growing demand for its services. They currently have a specific requirement at two levels for outstanding candidates with a background in Financial Management and Control.

Senior Consultant

They are seeking an individual who is currently with a major consultancy practice and has at least 2/3 years' consultancy experience.

Having achieved 'high flyer' status, you perhaps feel that your career progression is not as rapid as you would wish. You will be a qualified accountant with a good degree whose earlier career has been with recognised 'blue chip' companies.

The salary package offered is negotiable depending on age and experience but should not be regarded as a barrier by potential applicants.

The career opportunities offered by this firm are excellent both in the short and long term.

Interested applicants should write to John Cockerill BSc FCA, or Barry Ollier BA FCA quoting reference No. 385 enclosing a comprehensive CV and daytime telephone number at 39-41 Parker Street, London WC2B 5LH.



Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide

A member of Addison Consultancy Group PLC

Consultants

They are seeking graduate accountants who are currently in a line role preferably with a major commercial organisation.

You are likely to be in your late 20's and are feeling the need for further career development. As a way of broadening your experience you would be attracted to the challenges offered by working in a varied and problem solving environment.

Again, the package offered is generous. A company car will also be provided.

MEMORANDUM

SUBJECT: ADVERTISEMENT FOR
ASSISTANT DIRECTOR OF FINANCE

FROM: DIRECTOR OF FINANCE
TO: PERSONNEL DEPARTMENT

Please make urgent progress on placing an advertisement on the following lines:-

I need a finance professional to manage my Accountancy/Audit/Technical Division. The job involves technical and financial advice to Members and management and preparation of financial statements. Further responsibilities include maintenance of the Council's financial information systems, final accounts, internal audit and the management of the Authority's significant investments and capital debt.

In the advertisement please emphasise the new remuneration package:-

I attach details of the remuneration package and where applicants should apply.

GR WH

LONDON BOROUGH OF
merton

ASSISTANT DIRECTOR OF FINANCE

REMUNERATION PACKAGE

Salary range £19,938 to £25,775

including performance pay

Car to the value of £10,000

with running cost and petrol allowance.

If you are interested in our package please telephone: 01-545 3451 or write to the Director of Finance, Crown House, London Road, Morden, Surrey SM4 5DX.

Completed application forms to be returned by 15th March 1987.

Merton is an Equal Opportunities Employer. All applications will be considered on their merits.

Qualified Accountants

Central London £ Neg.

For the past one hundred and fifty years, the University of London has been at the forefront of scientific, medical and technological advance. As the largest University in the UK with over 40 thousand full time students, it awards 22% of the UK's higher degrees and currently has an income in excess of £300 million a year.

In line with the University's forward strategy they are seeking to strengthen their Central Office Accounting team by appointing two qualified accountants to report to the University Accountant.

The appointments involve production of both estimates and budgets together with a range of ad hoc management accounting projects. There will be participation within the financial and management reporting

functions, including assistance with the production of interim and final accounts. The Division is currently introducing new computer systems to assist in these functions. Candidates should possess a recognised accounting qualification (ACA, CACA or ACMA).

This is an excellent entry point into an organisation that combines a stimulating academic environment with considerable promotion potential in the UK University System.

Interested applicants should contact Gerald Whiting on 01-831 2000 or write to him, enclosing a comprehensive CV, at Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH quoting Ref. 2082.



Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide

A member of Addison Consultancy Group PLC

Computer Auditors

major financial group

Long established as one of the largest users of computer facilities, our client is developing a new generation of systems to cater for substantial growth, internal reorganisation and diversification into new business areas.

The scope for computer auditors to demonstrate initiative and ability in this changing environment is obvious. As important members of a multi-discipline audit team based in the Central London Head Office, reviewing and appraising new and existing systems throughout its extensive traditional, developing and newly acquired UK and overseas businesses will provide challenge and experience on a scale not easily obtainable elsewhere.

Future prospects are exceptional. In this substantial group there will be numerous further opportunities in systems audit/development or line management at the centre or in one of the many diverse businesses.

Applicants should be qualified accountants aged mid 20s/early 30s with proven computer audit or consultancy experience and the technical and communication skills to develop still further the computer audit function.

Very competitive salaries are negotiable and benefits include a subsidised mortgage and non-contributory pension.

Please write with full career details or telephone David Tod BSc FCA quoting ref D/553/MF.

**Lloyd
Management**

125 High Holborn London WC1V 6QA

Selection Consultants

01-405 3499



Financial Director Designate

Iledo

to £25,000 + car

Iledo, established in 1982, is an expanding independent manufacturer of diecast models for promotional work, toys and model collectors. Recent substantial growth requires the management team to be strengthened by the recruitment of a financial director designate. An acquisition is planned as well as extensions of current activity.

The financial director designate will be responsible for all financial and management accounting, financial control, contacts with banks and other financial institutions, credit control and establishing business practices with overseas agents and customers.

The ideal candidate would be a qualified accountant with at least three years' experience in high volume manufacturing. Enthusiasm, flair, and ability to work with the existing directors are essential.

Those interested in this opportunity to play a leading role in a growing manufacturing environment should send their CV to Brian Ing at Clark Whitehill Consultants, 25 New Street Square, London EC4A 3LN quoting ref L0384.



Clark Whitehill Consultants

Executive Selection

FINANCIAL CONTROLLER

Entrepreneurial Engineering p.l.c.

NORTHANTS

to £20,000 + car + options

The group is new, bringing together a range of existing specialist engineering skills and products, many with high-technology applications and is about to be floated. Turnover is projected to be around £2m in the first year and aggressive marketing of existing and new products will generate exciting prospects for growth in sales both in the UK and abroad for the foreseeable future. Further growth will occur organically, through developing new ideas in-house, and strategically, through company acquisitions.

The demand is for a financially orientated manager to join a tough team of engineering professionals. The priority is to build from nothing an efficient, effective finance function, instantly responsive to the needs of the business. Specifically this will include developing costing and related management information systems as well as influencing

non-financial staff and management towards achieving the company's objectives.

Candidates must be qualified accountants, able to provide evidence of successful contribution to a demanding, competitive assembly or production environment. A forthright personality combined with commercial flair and an achievement orientation are essential to match the style of the new management team. Success will result in both a Board appointment within two years and participation in the share option scheme. Age: early 30s.

To apply, please write enclosing personal, career and salary information to:

Jon Tomlinson, Executive Selection Division,
Hacker Young Management Consultants,
St. Alphege House,
2 Fore Street,
London EC2Y 5DH.

Hacker Young
MANAGEMENT CONSULTANTS

Investment Accounting

Datastream provides the City with easily accessible up-to-the-minute financial information and the opportunity to analyse and manipulate it using the latest computer technology.

We are currently looking for a Surveyor to manage our Investment Accounting Department, which provides clients with fully automated double entry bookkeeping services, printed statutory reports and on-line management information. With a proven track-record in IA/Fund Management in a Supervisory role, the successful applicant will be able to communicate succinctly and effectively, work on their own initiative in a high pressure environment and motivate, organise and lead staff.

SALARY UP TO £15k (depending on experience) plus excellent benefits package. If you feel you have the experience and personal attributes to succeed in the challenging role, please send your full CV immediately to:

K. Taylor, Recruitment Officer

DATASTREAM INTERNATIONAL LTD

Monmouth House, 58-64 City Road, EC1Y 2AL

DATASTREAM

Accountancy Appointments

Financial Analyst

Central London c.£25k+car

This is an opportunity to join a major group with diverse interests in the UK and abroad and contribute to a rigorous programme of profit and asset management improvement.

You will be a member of the financial analysis team and be responsible for the overall integrity of the corporate management accounts, post completion audits on major capital investment projects and provide up to the minute data on competitive performance standards. In addition, the job holder will provide support to the Special Projects Director on major acquisitions and disposals.

The successful candidate, who will be in the age range 28-32 will be a chartered accountant. Experience should include:

- 2/3 years in a major multi-national business in either central accounting, operational audit or internal consultancy.
- some knowledge of corporate tax and treasury operations.
- computer systems exposure and hands on experience of PCs.

A practical problem solving approach is required together with good written and oral communication skills.

The substantial salary reflects the importance attached to this new appointment.

Write in confidence to John Gregory at JC&P Selection Consultants, 356 Silbury Boulevard, Central Milton Keynes, MK9 2LR, showing clearly how you meet our client's requirements, quoting 5141/FT. Both men and women may apply.

JC&P Management Selection and Search
London, Milton Keynes, Northwich

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, BRISTOL, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Group Chief Accountant

International Headquarters Role

Central London

£30,000, Car

In this large multinational significantly profitable organisation, continuing organic and acquisitive growth demands well structured financial control of the Group's diverse and widespread operating companies. The scope of this senior appointment embraces the management and direction of central accounting, close involvement with operating companies, the further development of computerised information and reporting systems, the consolidation of Group operating results, concise and qualitative reporting to the Main Board and the provision of wide ranging financial and strategic planning advice. It is a dynamic role requiring a high degree of individual initiative and self reliance and offering significant freedom, accountability and authority. The requirement is for a well qualified Chartered Accountant who, having progressed significantly with a major professional firm, has subsequently gained head office experience in the management of a group accounting function involving complex consolidations in a major plc with widespread international business interests. Opportunities for career progression are genuinely excellent, the environment is demanding, fast moving and highly professional and international travel is an integral part of the role.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to G.T. Walker, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB, 01-734 6862, quoting Ref: N2008/FT.

Finance Director

to £30,000 + Car

This is a rapidly expanding high technology service company whose current turnover of £60 million is expected to triple within five years. The company enjoys strong financial backing from a major UK Group.

As a result of promotion into the Group Company there is now a need for a Finance Director who will have the personal skills as well as the technical knowledge to play a leading role in the management of the business through this period of rapid growth.

Substantial commercial experience gained within a large group is required including head office accounting, corporate planning, financial modelling, pricing, and above all line experience at Chief Accountant/Financial Controller level for a significant subsidiary (turnover range £20m-£40m). The range and nature of external contacts place a premium on personal qualities. Personal maturity, strength in decision making, a sense of humour, and initiative tempered with tact are essential requirements.

The position is based in London. Age guideline - mid-30's.

Please reply quoting reference L283 to:

Brian H Mason,
Mason & Nurse Associates,
1 Lancaster Place,
Strand,
London WC2E 7EB.
Tel: 01-240 7805

Mason & Nurse
Selection & Search

FINANCE DIRECTOR

Chertsey, Surrey

c.£28,000 + Profit Share + Car

Wickens is a well established and successful construction group engaged in both residential and commercial projects throughout the South of England. The group continues to grow both organically and through acquisition and is committed to a further programme of business expansion.

Joining a highly professional management team, the Finance Director will be responsible for the development of computerised accounting and management information systems and will play a major role in the future development of the group, particularly with regard to cash management, performance reporting, business analysis and



The Construction Team

Wickens Building Group

ROMAN HOUSE, WOOD STREET, LONDON
EC2Y 5BA. 01-638 5191

ROBERT HALF

FINANCIAL RECRUITMENT SPECIALISTS

LONDON-BIRMINGHAM-WINDSOR-MANCHESTER-AND OTHER CITIES WORLDWIDE

Swaps-Accountant

Major US Investment Bank

c.£25,000 + car + banking benefits
City based

As a renowned and established name in the Capital Markets sector, our client has experienced rapid growth.

To strengthen their existing operations management, they now require a young accountant to take responsibility for the transactions initiated by the swaps department, including management of the clerical support. This role will also entail continual liaison with the United States.

Candidates must be qualified

accountants, with at least two years' post qualifying experience, which must include accounting procedures for swaps or other risk management products. Those with internal or external auditing experience of these products, will be preferred.

This is an ideal position for either an Accountant currently working within the banking sector, or those that now wish to enter a US investment bank. There are excellent opportunities for career progression either within the

swaps area, or more broadly in Capital Markets.

Salary will not be a limiting factor for the right candidate and the package will contain a car and all the usual banking benefits.

Please send full CV quoting reference MCS/4004 to Miles Holford, Executive Selection Division, Price Waterhouse Management Consultants, No 1 London Bridge, London SE1 9QL.

Price Waterhouse



REGIONAL COUNCIL

AN EQUAL OPPORTUNITY EMPLOYER

DIRECTOR OF FINANCE

Fife Regional Council is the fifth largest region in Scotland with a revenue and capital budget of approximately £200 million per year, and now invites applications for the above senior post from professionally qualified accountants.

As chief financial adviser to the Council, the Director of Finance will require to possess managerial and financial skills of the highest order. Candidates therefore will need to offer evidence of success to date in a senior financial management role - not necessarily within local government - coupled with well developed skills in staff leadership, motivation and communications.

The Director of Finance will be a member of the Chief Executive's Central Unit, and as such will be expected to participate in the corporate affairs of the Council and contribute positively to the work of the Unit.

The current salary scale for the post is £29,595-£31,764, with a car leasing scheme, or essential car users allowance. Contributory pension scheme and relocation expenses.

Application forms and further particulars may be obtained from the Director of Manpower Services, Fife Regional Council, Hife House, North Street, Glenrothes KY7 5LL. Tel. 0592 754411. Ext. 3813.

Ref. DMS/49/102/FT

Canvassing directly or indirectly will disqualify.

Closing date for receipt of completed forms Friday 6th March, 1987.

INTERNATIONAL BANK

CHIEF ACCOUNTANT + Banking Benefits c£30K

Our client, a rapidly expanding European Investment Bank with an enviable reputation in Global Capital Markets, is currently seeking a Chief Accountant for its London Headquarters.

Reporting directly to the Finance Director the Chief Accountant will be responsible for a staff of some 20 people, providing the full internal and external financial reporting and controls. Emphasis is placed on good man management, staff development skills, and a thorough knowledge of the regulatory environment.

Candidates should be Chartered Accountants with a solid banking background, familiar with Bank of England reporting requirements and have a good understanding of taxation; ability to perform with minimum supervision is essential.

For further details, please write or telephone quoting reference RE2015

Rochester
Recruitment
Limited

25A College Hill
London EC4R 2EP
Telephone:
01-248 8348

FINANCE DIRECTOR

East Kent

to £30,000 plus car

Our client is an international services group with a turnover of around £50m. Profit growth has been a major feature over recent years.

The finance director will be involved in all commercial aspects of the business, but in particular will handle treasury matters, acquisitions and the financial control of overseas subsidiaries.

Applicants should be qualified accountants, aged around 40 and possess top level group financial experience gained preferably in a services industry. Experience of foreign exchange matters is a particular requirement.

In addition to salary there is a benefits package and good prospects.

Please write, in confidence, to Michael Ping enclosing a curriculum vitae and quoting reference F/797/E, at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

EW Ernst & Whinney

Financial Controller

City

c£20,000 + car

Our client, a USM Company (T/O £2m), is a recognised market leader in the provision of specialised computing and software services to a wide range of financial institutions. This challenging new appointment will appeal to a graduate qualified accountant, aged 27-30, with practical commercial experience and good business acumen.

Reporting to the Chief Executive he/she will assume overall responsibility for the financial function and the provision of advice and regular management information to the Board.

Candidates must demonstrate the personal and professional skills required to contribute actively to the Company's policy of planned growth and to become the Company Secretary in the near future.

Applications under ref RC234 to:

Miss Marion Williams,
Recruitment Consultant,
The McCann Consultancy,
Hazlitt House,
4 Bouverie Street,
London EC4Y 8AB



Our Commercial Objectives call for first-class Financial Service

Management Accountants (2)
Salary range £17,840-£19,893

Among the UK water authorities, Thames Water has taken a pro-active commercial approach and has moved into new growth businesses. So that we can continue with this positive approach we are looking for two qualified accountants with substantial commercial experience, a pro-active style and good communication skills.

The emphasis is on contributing to the growth in profits and the provision of a first class financial service to support the head of two of our businesses. You must be able to demonstrate experience of working to tight deadlines in the preparation of management reports, budget appraisals (capital, project, and pricing studies) and business plans.

The position reports to the Financial Controller Enterprise Business and you will assist him in contributing to the growth of the businesses through internal expansion and acquisition. The posts are based in Reading. Benefits include a pension scheme with interchange facilities and help with relocation expenses where necessary.

Application form and further details can be obtained from the Personnel Director, Room 312 Thames Water, King's Meadow House, c/o Nugent House, Vauxhall Road, Reading, Berks RG1 8DB, or by ringing Sue Caslaw on 0734 593815. Please quote ref: MA. Closing date 6th March 1987.



Thames Water
RUNNING WATER FOR YOU

CHARTERED ACCOUNTANTS

c£17,500 - £25,000 + Car

Are you a recently qualified accountant or

looking for a new career?

With a wide variety of excellent positions available in small to medium-sized companies, and diversity of other blue chip companies we are ideally placed to fill your job requirements. Our service is personal, professional and completely confidential. We may have just what you've been looking for, so why not ring us today for an appointment or simply send us your CV.

Ref. CA/346

GROUP ACCOUNTANT

c£18,000 + Car

Our client is a successful PLC group primarily concerned in consumer products manufacture/retail outlets seeks a young qualified accountant to be responsible for the group monthly management accounts, annual budgets, acquisition reports and systems development. The head office is located in West London.

Ref: V/8/2/12

For further details phone or write quoting reference to:

ACCOUNTANCY ASSOCIATES LIMITED
temp./perm. recruitment consultants
5 VIGO STREET LONDON W1X 1AH TELEPHONE: 01-439 3387/8/9

Accountancy Appointments

Head of finance

Kent, c£40,000, excellent benefits



For a long established financial services group amongst the leaders in its predominant field and which is a subsidiary of a large highly regarded European based International group.

Reporting to the recently joined M.D. you will be responsible for the entire financial function with some 40 supporting staff. The emphasis will be on providing the financial inputs to the business planning process, improving the quality of financial management and contributing as a member of the General Management team. A qualified accountant in at least your late thirties you must have had substantial line management experience in the financial function backed by strong interpersonal and communications skills. A financial services sector background is not essential.

Resumes please, including a daytime telephone number, to E J Robins, Ref. JR549.

Coopers & Lybrand
Executive Selection

Coopers & Lybrand
Executive Selection Limited

Shelley House 3 Noble Street
London EC2V 7DQ

DIVISIONAL FINANCIAL CONTROLLER

c. £28,000 + Car

CENTRAL LONDON

This expanding public group is a leader in the sourcing, marketing and distribution of fresh produce. It supplies all the major supermarket chains and has a turnover of over £120m. Organic growth, diversification and acquisition have contributed to the group's success.

The Financial Controller of the group's largest division also has line responsibility for the finance function of the largest operating company. Reporting to the Divisional M.D., you will interpret subsidiaries' performance and contribute to strategic decisions. You will also play an important part as financial advisor to operating companies' management teams.

The person appointed will be a qualified accountant aged around 30. You should have experienced the systems and standards of a large organisation and ideally, have run the finance function of an operating unit. This broader divisional role will demand strategic skills, commercial flair and energy.

Please reply in confidence, giving concise career, salary and personal details, quoting ref: L202 to Heather Male, Slade Consulting Group (UK) Limited, Metro House, 58 St. James's Street, London SW1A 1LD. Tel: 01-629 6070.

London • Melbourne • Sydney • Brisbane • Adelaide • Perth • Auckland • Christchurch

SLADE CONSULTING GROUP (UK)

Internal Auditor

Leading to a broader financial role
International Banking
c£26,000 + car + banking benefits

This established and enterprising European bank is now poised to increase its UK activities and wishes to strengthen its internal audit function.

Reporting to the General Manager, the person appointed will be responsible for the operation of an internal audit department which will critically examine the operational and financial systems and procedures used throughout the London branch.

In addition, integration and some

operational responsibility, particularly in treasury business, will be given at an early stage making the appointment an outstanding career opportunity in the banking sector.

Ideally, candidates will be aged around 26-35, qualified accountants with significant internal or external auditing experience in the banking sector. He or she must be independently minded, with a positive approach to internal audit, and

ambitious enough to see the potential of this position.

Future career progression may be outside the internal audit function.

Candidates should send a full CV quoting reference MCS/3018 to:

Tracey Phillips
Executive Selection Division
Price Waterhouse
Management Consultants
1 London Bridge
London SE1 9QL

Price Waterhouse



REUTERS

Financial Manager

Middle East

c£43,000 (tax free)
+ car + benefits
Bahrain

As the world's leading supplier of news and financial information, Reuters is still expanding and diversifying. The company operates throughout the world and management control is administered via regional management teams.

The successful candidate will be part of the Middle East management team, based in Bahrain, the Middle East headquarters of Reuters. This important position carries responsibility for financial and management accounting services within the area, with functional

responsibility over sub-regions including Saudi Arabia, the Gulf and Eastern Mediterranean. There will also be continual liaison with the central finance department in London and area finance staff in Hong Kong.

Candidates must be qualified accountants, ideally aged in their mid/late 30's with experience in a senior financial role. Other requirements include computer literacy, and experience with group control and reporting and, ideally, with service industry experience. Overseas

experience would be particularly advantageous.

Benefits will include bonus, car, pension, medical cover, education assistance, annual UK leave and additional excursion air fares to Cyprus.

Please send a full CV quoting reference MCS/3019 to: Tracey Phillips
Executive Selection Division
Price Waterhouse
Management Consultants
No 1 London Bridge
London SE1 9QL

Price Waterhouse



Finance Director

West Midlands

c£30,000 + Profit Share + Car
+ Share Options

Our client is a profitable rapidly expanding market leader operating within the financial services sector. A unique opportunity has arisen for an exceptional individual to join the organisation as Finance Director.

Reporting to the Managing Director, your brief will encompass:

- The formulation of short, medium and long term plans to include funding and investment proposals.
- The installation and improvement of management information systems and controls.
- The provision of all statutory/company secretarial/tax/treasury information.

It is emphasized that the incumbent will be expected to play a leading role in guiding the business through an exciting stage of its further development.

It is essential therefore that applicants possess the necessary drive, determination and commitment to succeed at the highest level.

Candidates should be Chartered Accountants (aged 34-40) who can demonstrate an outstanding track record of achievement within the financial services, F.M.C.G., or "low margin - high volume" service sectors. In return the company offers an attractive salary package plus a generous range of benefits including fully expensed company car, profit share, share options and relocation expenses where appropriate.

Interested? Write to Nigel Wright, Executive Division, Michael Page Partnership, Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST or phone 021-643 6255.



Michael Page Partnership

International Recruitment Consultants
London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Financial Controller

Park Royal

to £35K + car

Our client, a dynamic, market leading manufacturer with a professional, high powered profile, is looking to recruit a Financial Controller. The company has a turnover in excess of £7m and has already initiated a programme of growth through diversification. The person sought will be heavily involved in this exciting expansion activity in addition to managing a staff of ten in providing financial information, including monthly management accounts, statutory accounts, purchase and sales ledgers and credit control.

The successful candidate will be a qualified accountant, aged 28-38 with good man-management and communication skills, a problem solver who can demonstrate commercial flair and business acumen.

Interested candidates should write, enclosing a comprehensive curriculum vitae and daytime telephone number, quoting ref. 384 to Philip Rice MA ACMA, Executive Division at 39-41 Parker Street, London WC2B 5LH.



Michael Page Partnership

International Recruitment Consultants
London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Financial Director

Engineering

c£30,000 package

The company is the major subsidiary of a successful British engineering group. It has a profitable turnover of nearly £30m manufacturing and marketing sophisticated components for the aerospace and similar industries in the U.K. and overseas. Recent promotion has created the vacancy for a Financial Director who will have full responsibility for all aspects of accounting and financial control and for improving management information systems. It is essential that he/she contribute to the Company's wider strategic thinking and business development.

Applications are invited from well qualified accountants aged 35-45 who are already holding the top post in their function within a manufacturing company of, say, £5m - £15m

turnover. Candidates must have experience and real understanding of both contract costing and standard costing techniques. Experience of M.O.D. procedures is very desirable as is previous exposure to sophisticated data processing systems.

The remuneration package includes a fully expensed car, good pension and insurance schemes and full private medical cover. Relocation costs to the head office to the west of London will be reimbursed, if appropriate. Remuneration will be by a substantial basic salary plus a bonus scheme which will give a total figure around £30,000 this year. The position is a challenging and rewarding one and success will bring further opportunities.

Please send career details - in confidence - to A. D. Percival.

Ravenscroft & Partners

Search and Selection
20 Albert Square, Manchester M2 5PE

Finance Manager

Swedish Multi-National

Based: N. London

c.£18,000 + Car

Esab Group (UK) Limited is the UK subsidiary of the worlds largest company in the market for welding equipment and consumables.

The position is based at the Group's finance department at Waltham Cross. Working closely with senior management the major responsibilities include reporting on the performance of the major sales brands and the central marketing function, as well as advising on financial implications of existing and future marketing strategies. The role also involves - co-ordinating the submission of the annual budgets and quarterly group forecasting.

Ideally aged 26-32, the suitable candidate must have at least two years post qualifying experience and be capable of working to tight deadlines using modern computer systems. Experience of financial modelling and group reporting would be an advantage.

The position carries a salary of around £18,000 per annum along with company car and a wide range of benefits including relocation assistance where appropriate.

Please write with full career details to Mr. John Davies, Personnel Manager, Esab Group (UK) Limited, Hertford Road, Waltham Cross, Herts EN8 7RP



ESAB GROUP (UK) LTD

Financial Controller

Diversify with a growing Grain Merchant
Lincs. £16k - £18k + Car

Our client is one of the UK's leading profitable Grain Merchants, based in the attractive rural county of Lincolnshire but with operations across the country.

Reporting to the Financial Director, and playing a key, active role within the Management Team, you will be responsible for the day-to-day control of the company's centrally-operated accounting function. However, you will also have the opportunity to work closely with the MD on a number of special projects concerned with the company's plans for diversification and expansion.

If you are a qualified Accountant with 2-3 years' experience and possibly looking for your first move into industry, this could be your ideal opportunity. Our client is looking for an individual who can demonstrate a degree of tenacity together with an enthusiastic and flexible approach to work. Hands on experience of computerised accounting systems is essential.

Relocation assistance will be provided in the appropriate circumstances.

Please send your c.v. and current salary details, in the first instance, to Mandy Davies,

ROBSON RHODES

Chartered Accountants

Management Consultancy Division
188, City Road, London, EC1V 2NU

Accountancy Appointments

FINANCIAL CONTROLLER/ DIRECTOR DESIGNATE

Our client is an established and successful £6 million turnover private group supplying equipment to the leisure and catering industries nationwide.

Continuing development dictates the need for a commercially skilled professional whose function will include: specifying and implementing management information systems, controlling all aspects of upgrading existing hardware and software, long term planning, policy making and advising on key strategic issues. Total involvement in the business itself is a prerequisite with this broad based and demanding job.

The new Controller will initially build an effective support team and directly handle a high volume of work while being capable of meeting longer term objectives. Highly motivated and quick-thinking, the successful person will also respond efficiently to any urgent and unforeseen situations.

Applicants will probably be in their 30s, must be fully qualified, have systems development expertise and sound commercial experience gained within a fast moving company. For further details of this opportunity, contact Mrs. V. Crawford, Director, on (01) 409 1343 or send your C.V. to her at Le Tissier Executive Selection, Ely House, 37 Dover Street, London W1X 3RB. Ref. LT-52.

**c £30,000
plus car
plus share options
West of London**

LE TISSIER
Executive Selection

Group Corporate Accountant Based Windsor c£30,000 + Car + Benefits

Our client, The Albert Fisher Group PLC, is a successful food, service and distribution group, operating in the United Kingdom and the United States. The group has grown substantially in recent years through a combination of acquisition and organic development. The group employs c 2000 employees worldwide and current turnover is approximately £300m.

The small Headquarters team will spearhead the continued expansion of the Group and now seeks to recruit a further high calibre qualified accountant.

The role will include responsibility for the preparation and consolidation of financial information, management of the Group's cash resources, and close liaison with Banks and financial advisors. The successful applicant will work closely with the existing team, reporting to the

Group Finance Director and will have the ability and scope to play an important role in the future development of the Group.

Candidates should be graduate Chartered Accountants, aged to mid thirties with post qualification experience gained in either a commercial environment or a financial institution. Well developed communicative skills, a strong personal presence and commercial awareness are essential qualities for this demanding role.

The company offers a very attractive package including company car, pension scheme, private medical care and share options.

Interested candidates should write enclosing a comprehensive CV to Mark Caribban ACA at Michael Page Partnership, Kingsbury House, 6 Sheet Street, Windsor SL4 1BG.

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

FISONS Group Headquarters CHARTERED ACCOUNTANT

Fisons plc is a UK based multinational with an outstanding growth record over the last seven years. Worldwide sales of pharmaceuticals, scientific equipment and horticulture products continue to grow rapidly with 80% of sales being made overseas. The profitability of the Fisons Group has increased almost twenty-fold during the 1980's through both strong organic growth and the strategic acquisition of new businesses.

Internal Audit plays a key role in the Group's continuing success and is seen as a source of future, high calibre international line managers. We are seeking a suitably qualified candidate to strengthen this team following recent promotions.

The ideal candidate will be a recently qualified Chartered Accountant who has completed his/her training with a multinational firm of accountants. You must be able to demonstrate a successful track record in understanding, developing and auditing complex computerised accounting and financial control systems, be able to work without supervision and be

Internal Audit £ Negotiable

prepared to travel for about 75% of the working year. A second European language would be an advantage.

Reporting to the Group Chief Internal Auditor, your responsibilities will include reviews of financial controls and reporting procedures, computerised business systems, investigations and special projects. The ability to prepare recommendations for presentation to senior management and to communicate your ideas clearly at all levels is essential. The majority of assignments will be overseas, predominantly in North America and Europe, and each will have a duration of approximately four weeks.

The salary will be commensurate with experience, plus normal large company benefits. Relocation assistance will be provided when necessary.

If this challenge appeals to you, please send a detailed CV to:

Mr. B. C. Barrett, Personnel Services Manager, Fisons plc, Fison House, Princes Street, Ipswich, Suffolk IP1 1QH

Chief Accountant major PR consultancy

West End

c£20,000 + car

Three years ago we recruited a young, qualified Chartered Accountant for an ambitious and fast growing public relations consultancy. He is now the Financial Director, the company is publicly quoted, and its growth has been spectacular.

As a result, he is now able to offer an exciting future and a challenging role to another accountant, similarly qualified as he was three years ago: probably in your mid 20s with post-qualification experience that justifies your claim to be commercially aware.

Based at the Head Office you will manage a small department and provide local Managing Directors with management information and work with them on profit forecasts and new projects. The Financial Director will expect you to be imaginative, innovative and articulate. The continuing development of the group, both in the UK and abroad, will guarantee that the job will not remain static and prospects will depend upon your success in this role.

Please telephone or write with full career details to John P. Stiegh FCCA quoting ref J/565/SF.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

London-based Shipping Co.
urgently requires an
ACCOUNTANT
OFFICE MANAGER
for complete accounting function and office administration. Salary negotiable. Applicants in writing by Friday 27th February 1987 to:
Mr. B. Downes, Director
ANL Maritime Services Ltd
No. 1 Seething Lane
London EC3N 4AX

The challenge of building and maintaining effective financial controls in a rapidly expanding and dynamic company.

FINANCIAL CONTROLLER

£16,500 + Car London
Our client operates a successful and fast developing trading company supplying a range of imported products to a number of specialist markets. Their continuing profitable growth will be heavily dependent on the establishment of comprehensive financial control and reporting systems, and for that reason they now wish to appoint an energetic, effective and ambitious Financial Controller.

Candidates should have at least three years relevant commercial experience which will enable them to control a small department responsible for day to day accounting, cash and inventory management together with the implementation of sophisticated computer based control systems. A professional accounting qualification and/or knowledge of import procedures would be helpful.

This is a key position with future potential for a board appointment. Applicants should write to or telephone, in complete confidence, Brian Kemp at Executive Network or Weekends (4pm to 9pm) and evenings on 01-657 2734.

EXECUTIVE NETWORK
(CONSULTANTS) LIMITED
19, BEDFORD ROW, LONDON WC1R 4EB
01 831 8202/9458

ASSISTANT TO FINANCIAL CONTROLLER REQUIRED TO WORK IN BUSY KINGSTON HEAD OFFICE

The successful applicant will assist in the preparation of management and financial accounts, be French speaking and prepared to spend up to ten days a month in their French office.

The ideal applicant will be self-motivated with good financial experience (not necessarily qualified). Excellent salary and other benefits.

Applications in writing to: Box A0411, Financial Times
10 Cannon Street, London EC4P 4BY

INSURANCE PROFESSIONALS

Can you tell an opportunity
from a risk?

If so, have you considered
management consultancy?

SALARY - from £20K to £35K plus car

We seek experienced professionals in the insurance field, who might be prepared to risk forsaking the security of their current environment for exciting opportunities in management consultancy, where they would be stimulated, challenged, and perhaps stretched to their limits.

You are probably 25-35, with a sound understanding of the industry, where you will have spent at least 3-4 years in an accounting capacity for an insurance company, large broker or even consultancy firm.

In any case, you should be eager for an opportunity to jump not just upward but outward. We are a leading international management consultancy, wishing to expand our insurance specialist group - and we're looking for people like you. If you'd like a new trajectory for your career, please write in confidence (quoting reference MCS 8249) to Michele Deverall,

Price Waterhouse, Management Consultants, No. 1 London Bridge, London SE1 9QL.

Price Waterhouse

DEPUTY GROUP TAX MANAGER West London

Age: Mid 30's

c £30,000 + car

Our client, a UK multi-national company with a turnover exceeding £3 billion and extensive overseas interests, is seeking to appoint a tax specialist who will report to the Group Tax Manager.

The responsibilities will include:

- UK tax planning;
- international tax planning including its UK implications;
- production of timely, accurate and informative reports for the Board and senior management;
- production of the tax charge to be included in statutory and monthly accounts;
- the completion and administration of the UK Corporation Tax computations;
- providing advice on PAYE.

Candidates, preferably in their mid 30's, will be qualified accountants and have at least five years experience in all aspects of UK Corporation Tax, including planning and compliance. Experience in other areas of taxation including international and PAYE is also required.

Remuneration will be negotiable c £30,000 plus a car and other fringe benefits.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2750/FT to W. L. Tait, Executive Selection Division.

Touche Ross

The Business Partners

Thames Inn House, 3/4 Holborn Circus, London EC1N 2HR. Tel: 01-353 7361.

APPOINTMENTS ADVERTISING

£48 per single column centimetre
Premium positions will be charged £52 per single column centimetre
For further information call:
Tyne Liversidge 01-248 5205

Accountancy Appointments

Finance director

City, from £50,000



For a major fast growing international investment management group with an outstanding reputation for excellence and a substantial international component to its business - itself part of a leading British financial institution.

Reporting to the M.D. you will be responsible for directing a talented team of executives whose main tasks are the rapid improvement of financial and management information systems to keep pace with a fast growth rate, the continuous exploitation of leading edge information technology in a complex operational environment and the management and motivation of 100+ support staff.

A qualified accountant aged from 35, you must have held a senior managerial position in a major company. Experience of sophisticated I.T. operations involving high volume transaction processing and fast, effective management reporting is essential. You will need to be a strong personality - persuasive, articulate and well able to stand your corner in a youthful dynamic and successful top management team.

Terms will not be a limiting factor.

Résumés please, including a daytime telephone number, to E.J. Robins, Ref. JF626.

Coopers
& Lybrand
Executive
Selection

Coopers & Lybrand
Executive Selection Limited

Shelley House 3 Noble Street
London EC2V 7DQ

Finance Manager

North West

to £25,000

Our client is a rapidly expanding unit of a major UK multinational and is at the forefront of biotechnological development. They are committed to continued growth and their strategic plan encompasses acquisition and joint venture agreements on an international scale.

Their recent move to a greenfield site and their advanced stage of development has created the requirement for a Finance Manager to provide both strategic and operating financial expertise and to manage internationally the business's administration resources.

In addition to the normal responsibilities associated with this level of appointment, the successful applicant will be required to play a major role in the overall development of the business including the assessment of the financial implications of

proposed licences, joint venture agreements, research contracts, equity partnerships and the differential analysis of alternative strategic options.

Candidates, aged 28-32, should be graduate qualified accountants with a strong track record in investment appraisal and micro-modelling gained in an international environment. A strong personal presence, highly developed inter-personal skills, commercial awareness and a commitment to excellence are prerequisites of the appointment.

Comprehensive relocation facilities are available where appropriate. Interested applicants should contact Stephen Banks, ACMA, quoting ref. 7059, on 061-228 0396, at Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester M2 3LQ.



Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Appointments Advertising

£43 per single column centimetre. Premium positions will be charged £52 per single column centimetre.

For further information call:

Jane Liversidge
01-248 5205

Daniel Berry
01-248 4782

Emma Cox
01-236 3769

Financial Controller

Home Counties

c.£27,500+car

This private company produces goods of the highest quality for the home, and is one of the country's leading names in its field. The new Controller will take comprehensive responsibility for the efficient management of the financial function at the centre of this medium-sized enterprise. The role will also involve working closely with the MD on corporate planning, tax and related issues. The post will appeal to a qualified

accountant in the mid-30s, with experience both in the headquarters and in a manufacturing division of a substantial group using sophisticated planning and control systems. Interesting career prospects exist within the company. Senior executive benefits, including removal expenses, will be negotiated.

Please send detailed cv, indicating current salary details, to Michael Egan, Ref: 1307/MJE/FT.



PA Personnel Services

Executive Search • Selection • Psychometrics • Remuneration & Personal Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

Financial Director

Warwickshire

£25-30,000+car & relocation

Our client is the country's leading insulation contractor and a major force in the distribution of related materials. Growth and profitability to date are impressive, with every indication that both will be sustained. It has now become necessary to appoint a Financial Director to play a vital role in the group's future development plans.

A mature Financial Director/Company Secretary is sought to make a significant contribution to the group's financial management. Key responsibilities will include preparation of strategic plans, improvement of cash control procedures and MIS development.

Candidates should be qualified accountants, ACA or ACMA, aged 30-40. They should have gained considerable commercial experience, preferably within the service industry sector. Applicants must offer drive, determination and initiative, as well as sound man-management skills.

A highly competitive remuneration package is offered, plus the opportunity to progress within a growing organisation.

Please send full personal and career details, in confidence, to Brian Stevenson, quoting reference 1714/FT on both envelope and letter.

Deloitte
Haskins + Sells

Management Consultancy Division
Edmund House, 12-22 Newhall Street, Birmingham B3 3DX

Radio Rentals

FINANCE MANAGERS

Throughout the UK to £25,000 plus car

Our client, Radio Rentals Limited is a substantial profit generator within the THORN EMI Group. It employs some 6,000 people operating in over 500 retail outlets and 160 customer service centres throughout the country. Annual turnover is in excess of £200m.

As part of the company's general profit improvement strategy, it has been decided to decentralise the general management, finance, marketing and personnel functions. As part of this decentralisation policy it is necessary to appoint six finance managers who will play a key role in new divisional teams throughout the United Kingdom and Northern Ireland.

As the requirement will be for the finance managers to work very closely with divisional directors in general business development and profit improvement, preferred candidates for these positions will be graduate accountants with experience to controllership level in substantial organisations or divisions thereof. A background in the service industries will be preferred and the likely age range for shortlisted candidates will be between 27 and 35. Skills are sought in the application of computer technology to information systems development, in substantial staff control and development and in general management appreciation. The group provides excellent opportunities for high performers.

In the first instance, please send brief personal and career details to Douglas G Mizon quoting reference F677/M at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU. Initial interviews will be conducted throughout the UK.

Ernst & Whinney

FINANCIAL DIRECTOR

CONSUMER PRODUCTS MANUFACTURING

Long established, growing, successful, privately owned, ... are all epithets to describe our client, a South Midlands based manufacturer of solid wood furniture products. Turnover has grown profitably and considerably over the last few years to around £7m as they changed from sub-contract work to marketing their own product ranges. Systems, however, have not kept pace with their growth.

The need now is for an experienced, qualified Accountant, probably ACMA and mid 30's, certainly with a background in volume manufacturing of consumer products who can bring the concepts and benefits of a fully integrated accounting system and contribute fully to the overall business development.

Remuneration is to around £30,000. Excellent benefits include car and relocation assistance if relevant.

Please apply in the strictest confidence with full details of age, experience, qualifications, and earnings, quoting Ref. No. FT0251, to Peter Small:

QMS Recruitment

Quorn House, 6 Princess Road West
Leicester LE1 6TP

Accountancy Personnel

Placing Accountants First



For further details, please contact:

Accountancy Personnel,
Aston House,
409 Silbury Boulevard,
Milton Keynes MK9 2AH.
Telephone: 0525 651707



ICI Electronics

For further details, please contact:
Accountancy Personnel,
40 King Street,
Manchester M2 7AY.
Telephone: 061-454 9733



For further details, please contact:

The Manager,
Accountancy Personnel,
79 New Bond Street,
London W1Y 9DS
Telephone: 01-493 3813

THE SKY IS NOT THE LIMIT!

Stenage £Negotiable + Relocation Package

British Aerospace is one of the world's major suppliers of communication satellites. Their recent appointment as prime contractor to supply the new generation of SkySat satellites for N.A.T.O. has provided an exceptional opportunity for MANAGEMENT ACCOUNTANTS to join an expanding and developing Finance team. You may be providing financial management support to project business teams or working on systems development or participating in financial management teams as financial representatives.

Applicants should be outward going, self confident and commercially orientated, preferably with experience of a high-technology environment. Salary is negotiable and a generous relocation package is available where appropriate.

BUSINESS ACCOUNTANT

North Cheshire £15-20,000

ICI Electronics, a new international business group, is seeking to recruit an ambitious young accountant to join its central management team. The work will be varied but is mainly concerned with supporting the development of new business and ad hoc projects in both the UK and Europe. Candidates should be self-starters, aged ideally 25-35, used to problem solving in a commercial environment, with extensive and varied industrial and professional experience. An attractive benefits package is offered, together with superb opportunities for career advancement in this progressive organisation.

ORDINARY ACCOUNTANTS NEED NOT APPLY...

Epsom c£20,000

A well known 'name' in the entertainment industry, our clients are diversifying with the establishment of an exciting retail concept which has already received substantial pre-launch orders of recent trade fairs.

They now require a career-minded Financial Controller to establish a professional and commercially astute accounting team. Applicants should be qualified accountants in their mid-thirties to early thirties with ideas, motivation, strong interpersonal skills and an appreciation of the flexible approach demanded in all start-up situations.



LONDON

c£33,000 + car

The Central Electricity Generating Board is one of the world's largest electric power utilities, with responsibility for planning, building and operating Power Stations for the bulk supply of electricity in England and Wales.

The Central Electricity Generating Board is seeking a new Head of Internal Audit.



CENTRAL ELECTRICITY GENERATING BOARD HEADQUARTERS

The post is based in London but has responsibility for all matters of Internal Audit nationwide. The overall size of the financial resources of the Board includes an £80m revenue turnover and a capital spend around £1bn. Financial control involves national computer based systems across the whole range of commercial applications. To this end the successful candidate will need to be able to head a team of over 70 auditors in computer, major project and general audit. In addition, the Board has an Audit Committee which places great emphasis on the focus of the internal auditor in value-for-money studies and the successful candidate will need to make an articulate and effective contribution in this area.

Candidates preferably should be qualified accountants and must have extensive experience in a wide range of financial activities.

Starting salary will be in the region of £33,000 pa, with an attractive remuneration package including car.

Applications in writing with comprehensive cv should be sent to The Personnel Services Manager, CEGB, Sudbury House, 15 Newgate Street, London EC1A 7AU quoting reference 434/87/IMG/FT to arrive no later than 5 March 1987.

The CEGB is an equal opportunity employer.

Deputy Treasurer

Central London c£27,500+car

A British owned international manufacturing group with a distinguished history and a tradition of excellence seeks a Deputy Treasurer for its Central London headquarters. Candidates, ideally in the age range 28-42, should be:

- * graduates with a banking or accounting qualification
- * in possession of at least 2 years' treasury experience preferably in a major group environment
- * creative thinkers with an enthusiasm for new techniques in financial management.

The job embraces the conventional areas of treasury expertise and calls for a significant contribution in the area of trade financing and an ongoing commitment to the improvement of Group banking administration and practice.

The treasury function is making an increasingly important contribution to Group effectiveness and this new appointment will provide significant development opportunities for a young treasury specialist. The salary and benefits package reflect the importance attached to this post.

For a full job description write, in confidence, quoting 5133/FT to John Gregory at John Courty & Partners, 356 Silbury Boulevard, Central Milton Keynes, MK9 2LR, demonstrating clearly how you meet our client's requirement. Interviews will be held in either London or Milton Keynes. Both men and women may apply.

JC&P Management Selection and Search
London, Milton Keynes, Northwich

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent PII examinations. We propose to publish the list in our issue of Thursday, March 5, which will also contain several pages of advertisements under the heading "Newly Qualified Accountancy Appointments." The advertising rate will be £43.00 per single-column centimetre; special positions are available by arrangement at premium rates of £52.00 per single-column centimetre.

GUIDE TO RECRUITMENT CONSULTANTS

and entries in the Guide will be charged at £65.00 which will include company name, address and telephone number.

For further details, please telephone:

Louise Hunter on 01-248 4864

Daniel Berry on 01-248 4782

Jane Liversidge on 01-248 5205

Emma Cox on 01-236 3769

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Accountancy Appointments

City Financial Pioneers

With the reorganisation for Big Bang now complete this foremost London-based financial organisation will forge ahead with systems development and major projects this year. Talented individuals aged 24-30 who take up key posts now will enjoy exceptional opportunities to develop their careers.

Management Accountant to £22,000

Add your ACMA/ACCA qualification, the weight of your commercial experience and your communication skills to a high-flying young management accounting team. Take complete responsibility for management accounts in the Property Services Area liaising with senior management on financial and business planning, acquisitions and systems development. You will be dealing with estate surveyors on cost control and pricing so an engineering environment background is useful.

Internal Auditors to £18,000

The Audit Services Division is expanding and offers tremendous potential. The audit responsibilities are strictly non-routine and give perfect scope to develop an understanding of the working of the organisation. An ideal first move for an ACA, recently qualified with a large or medium firm.

Telephone or send curriculum vitae to:
Steve Greenwood or Maggie Love

LOVE + TATE
APPOINTMENTS

© 01 283 0111 - 70 OLD BROAD STREET - LONDON EC2

High Calibre ACAs

Project Consultancy
in preparation for Senior Line Management

Central London
c£30K + car & low interest mortgage

Out of assets of over £20 billion managed worldwide by the Prudential, some £17 billion is invested from our London Head Office by Prudential Portfolio Managers (PPM), the Prudential's investment management company and the UK's largest institutional investor.

Expansion into new business areas and the creation of new products and services is leading to the decentralisation of the company into product oriented self-accounting business units. This in turn will create a number of highly visible senior finance opportunities.

In anticipation of these developments, we need to recruit a high calibre accountant who will assume a project consultancy role prior to moving into a senior line position. In line with the expansion of the business and the development of new initiatives, the emphasis of the project work will be to

develop systems to co-ordinate and improve the financial reporting and control within the Group. There will also be opportunities to manage projects which are themselves creating either the expansion or the new products.

We will be looking for Chartered Accountants, aged early thirties, who can demonstrate a broad based record and ideally a post-graduate qualification. Good communication skills, entrepreneurial flair and the ability to make an early impact are a priority.

Benefits include a low cost mortgage, non-contributory pension, and relocation expenses if appropriate. Further career development prospects are exceptional.

Send a cv to Paul Everall, Personnel Manager, Prudential Portfolio Managers Ltd., 142 Holborn Bars, London EC1N 2NH.



PRUDENTIAL

Prudential Portfolio Managers Limited

Finance director

London, c £40,000



This £40 million turnover company has extensive interests in music publishing and instrument manufacture with worldwide operations including factories in England, Germany and France. It is now profitable after some considerable reorganisation.

It seeks a Finance Director to continue the process of profit improvement by taking a strong interest at every level from shop floor operations to currency control to financial systems. This demanding appointment combines detailed financial control with general management that could lead to wider responsibilities within 18 months.

The ideal candidate aged 35-45 is likely to be a qualified accountant and/or an MBA with extensive experience in manufacturing and a background in company turnaround situations having held a senior financial appointment in a substantial company.

Terms and conditions of employment are excellent and include assistance with relocation. Please apply in confidence to Gregory T M Hinds, Ref. GH654.

Coopers
& Lybrand
Executive
Selection

Coopers & Lybrand
Executive Selection Limited

Shelley House 3 Noble Street
London EC2V 7DQ
01-606 1975

APPOINTMENTS ADVERTISING

£43 per single column centimetre
Premium positions will be charged £52 per single column centimetre
For further information call:
Jane Liversidge 01-243 5205
Daniel Berry 01-243 4782
Emma Cox 01-243 3768

MANAGEMENT CONSULTANTS - INSURANCE SECTOR

ACCOUNTANTS

UP TO £28,000 + CAR

LONDON

This Management Consultancy is part of one of the world's largest firms of chartered accountants and will double in size in the next two years. The diversity of experience available and the consultancy's rapid expansion provide qualified accountants with unusually good opportunities for promotion and development.

The Insurance Group has an established reputation for excellence and is expanding in response to increasing workloads. As a consultant, you will need the mental agility and independence to handle a wide range of organisational and technical assignments. You will experience contrasting client environments and also

work outside your skill group.

A qualified accountant in your late twenties or early thirties, your most recent experience will be in the insurance sector, with the emphasis on management information and control systems. You should have the drive and energy to grasp responsibility and promotion quickly.

Please reply in confidence, giving concise career, salary and personal details, quoting ref. L-865 to Heather Mele, Slade Consulting Group (UK) Limited, Metro House, 58 St. James's Street, London SW1A 1LD. Tel: 01-629 8070.

London • Melbourne • Sydney • Brisbane • Adelaide • Perth • Auckland • Christchurch

SLADE CONSULTING GROUP (UK)

*Gabriel
Duffy
Consultancy*

FINANCIAL DIRECTOR EAST SUSSEX

Our client, an ambitious motor trader operates from two prestigious freehold premises on the South Coast. The company has attained an impressive record of growth (T/O £7 Million p.a.) and an enviable reputation has been built up by providing an exceptional service often outside the 'traditional' areas of the business.

The post offers total responsibility for the company's financial affairs. It is envisaged that after an initial period the role will encompass Business Development and General Management, therefore appealing to those who see their career developing in a smaller company environment.

The successful candidate will be a qualified entrepreneurial accountant aged 28-40 with good IT an-management skills, commercial flair and an aptitude for developing computers. The initial remuneration package is entirely negotiable including car, profit sharing, relocation expenses and a stake in the business.

For further information please contact Alex McMillan M.Sc. D.I.C.
Interviews will be held in Brighton and London.

Gabriel Duffy Consultancy, 130a Western Road, Brighton, BN1 2LA (0273 29822).

Investment Banking

New Qual ACAs c£30K

A major international investment banking group seeks young, qualified accountants to set up their new capital markets and securities support groups.

The individuals, preferably with banking experience, must be ambitious, have analytical enquiring minds and be able to liaise effectively with board members and trading staff.

The positions offer exciting opportunities to develop a career away from run of the mill financial accounting at a time of significant changes in London's financial markets.

Interested individuals should contact Sue Mumme on 01-248-3653 or 0932-220151 (evenings/weekends), or write enclosing a CV.

All applications will be treated in the strictest confidence.

BBM

60, Chapselde
London EC2V 6AX

Telephone:
01-246 3653

CONSULTANTS IN RECRUITMENT

Group Accountant major financial group

c£20,000 + banking benefits

A leading and highly respected merchant banking group, our client is expanding its banking and financial service interests in the UK and internationally.

Working as a member of a small head office team, the accountant will be expected to make an important contribution to group financial management. In a project orientated role, he or she will participate in a range of tasks including information review, tax planning and compliance

and acquisition analysis. The exposure should provide excellent promotion prospects.

In their mid 20s, applicants should be newly/recently qualified accountants from the profession. Technical accounting and good inter-personal skills are considered essential and an interest in taxation would be advantageous.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H562/HF.

**Lloyd
Management**

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

GROUP FINANCIAL ACCOUNTANT

GLOUCESTERSHIRE

CIRCA £20,000

► Aspen Communications PLC has an outstanding record of sustained and rapid profit growth. Its subsidiaries, based along the M4 corridor, serve the expanding markets of corporate television and video media, business forms, mobile and cellular telephones and business magazine production.

► Reporting to the Finance Director, you will be an important member of the small Head Office team based in Cirencester. You will be involved in a broad range of activities including Group financial reporting, results interpretation and presentation; initial analysis of acquisition prospects and subsequent integration. It is a demanding position with excellent promotion prospects within a fast moving environment.

► You will be a graduate Chartered Accountant with at least two years post qualification experience. Exceptional ability, commercial flair and a determination to contribute to the expansion and development of the Group are essential.

► Write, in complete confidence, to Neil Worgan, Group Finance Director, 18 Thomas Street, Cirencester, Gloucestershire, GL7 2AX

ASPEN
COMMUNICATIONS PLC

Senior Accountant

Make sure our operations are properly accounted for

c£20,500 + car

Basingstoke

The development of the AA into today's modern service organisation has meant a corresponding expansion of accounting procedures and functions.

Within the AA's core business area, the provision of services to more than 6,000,000 of Britain's motorists, careful attention to accounting for both expenditure and income is essential to maintain value for money in an increasingly competitive area.

As Manager (Operations Administration), your role would be to control and develop an Operations Accounting function that employs more than 30 staff and provides accurate and up-to-date financial input to overall accounting systems on a regular basis as well as arranging settlement of garage and agents accounts for work carried out, settling members claims for reimbursement and maintaining accounting

systems for road service and information service functions.

You'll attend regular management meetings and maintain an awareness of trends in operations as well as ensuring that staff workloads make the best use of time and skills - this includes arranging training and development programmes.

As a qualified Accountant with a flair for motivating people and, ideally, experience in a service industry, you'll be ready to take on this senior role which will have a high profile within the AA.

You could earn up to £20,500 + car with attractive benefits, including relocation where necessary.

For further details and an application form, please telephone (0256) 483168 or write to The General Manager, Personnel at the address below.



THE AUTOMOBILE ASSOCIATION, PARLIM HOUSE, BASINGSTOKE, HAMPSHIRE RG21 2EA.

c£22,000 p.a.

Financial Controller N. WILTS Plastics

A commercially oriented graduate accountant, aged 27-33, male or female, with at least 3-4 years professional and/or industrial experience. This experience will have resulted in the ability to handle a wide variety of financial management activities, including planning, accounting/systems development, cashflow control and taxation. An understanding of the Treasury and banking functions an added advantage. An outstanding career opportunity within the UK subsidiary of a well-known European based Multi-national - A leader in its field. Part of the succession planning objectives of the Company will require the first twelve months to be based, fully funded, at the Dutch Group HQ. Excellent fringe benefits include, contributory pension, company car, medical/life cover and relocation expenses.

Suitably qualified candidates please phone 01-600 4708 for an application form quoting GF704 (24 hour service).

GREYFRIARS
EXECUTIVE RECRUITMENT

JOHN W G FORBES MANAGING DIRECTOR
104 NEWGATE STREET, LONDON EC1



BERMUDA ACAs

Salary c\$33,000 Tax free

Several international clients urgently require ACAs for their operations on the beautiful island of Bermuda. Age group 24-32 years. Call: Sharon Brown LLS MECI

TREVOR JAMES & PARTNERS
62-64 Moorgate London EC2R 6EL
Tel: 01-920 9512

Accountancy Appointments

FINANCIAL ACCOUNTANT

INVESTMENT BANKING
A fast moving environment
with the resources to support creativity

PACKAGE IN EXCESS OF £30K INCLUDING CAR - CITY BASE

Our client, a leading US investment banking firm, has a truly international presence and considerable influence in all sectors of this industry. Reorganisation, brought about by expansion, has created the need for a high calibre ACA whose brief will be threefold.

— Firstly, the management and motivation of a strong central accounting group preparing monthly and annual accounts.
— Secondly, the provision of a concise yet comprehensive financial picture of UK and European activity to both operational areas and senior management.
— Thirdly, this new manager will be responsible for the further development and implementation of a number of major reporting systems.

with the resources to support creativity and commitment. However, our client will be looking for a blend of technical and personal skills. Your broad based accounting experience (possibly gained at manager level with one of the big eight accountancy firms) should include investigative and special project work at a senior level. This must be supported by the ability to manage, motivate and influence; thus establishing effective working relationships throughout the organisation.

The negotiable salary is backed by a range of benefits that include company car, bonus, profit share, mortgage subsidy, non-contributory pension scheme and relocation expenses if appropriate. Send a cv, stating the name of any organisation to which your application should not be forwarded, to: A. D. Spillman, Director, Ref: 351, Associates in Advertising, Columbia House, 69 Aldwych, London WC2B 4DX.



FINANCIAL DIRECTOR CONTRACT HIRE AND LEASING

**Stratford
E. London**

**£25k + Bonus
+ Car**

This is a challenging opportunity to join a dynamic private group in a growth industry whose turnover has increased from £2 million to £10 million in the last four years. Contract Hire/Leasing is the core of the business which also includes a Ford Main Dealership.

In addition to controlling the accounting functions, the Financial Director will form part of the small management team. In this role you will make a positive contribution to the continued expansion of the Group by providing the necessary financial guidance. Dealing at senior level with Bankers and Finance Houses will be an important part of the brief.

The appointment will be of particular interest to someone with the drive and energy to succeed in a fast moving environment.

Applicants should be aged 32-40 years, qualified accountants with sound experience in commercial financing.

Please write in confidence to Christopher Brooks, Joint Managing Director, Morison Stoneham Management Consultants Limited, 805 Salisbury House, 31 Finsbury Circus, London EC2M 5SQ.

Morison Stoneham
Management Consultants Limited

Financial Controller/ Company Secretary

c.£25,000 + car

London

A small group of private health companies, active in the acquisition and divestment market, seek an energetic and enthusiastic young accountant to join a small head office team.

The Controller will be responsible for the accounting functions for the parent and several subsidiaries. Duties will include monthly management accounts, budgets, parent and subsidiary company records, payroll, VAT and statutory returns. He/she will control a small team including the accounts staff of subsidiaries.

Aged around 30, applicants will be qualified accountants with recent experience of small company (computerised) systems, ideally including secretarial practice. Salary is negotiable around £25,000 and the benefits package includes a company car.

Please send your c.v., indicating salary progression to-date, to the Recruitment Division, marking your envelope with ref: F17/19/2. All applications will be forwarded direct to our client, therefore please list in a covering letter any companies to whom your application should not be forwarded.

SMEDLEY MCALPINE
67 Long Acre, Covent Garden, London WC2E 9JG

MANAGEMENT ACCOUNTANT INTERNATIONAL BANKING

London

c.£18,000 plus benefits

An international bank, having substantial presence in the U.K., requires a young and energetic accountant for its expanding management information and systems development section.

Reporting to the Departmental Head he/she will be responsible for improving and producing management information and implementation of various computer systems under review.

Candidates will be recently qualified ACA/ACMA who are seeking a career in banking.

Please send career details to Mike Gostick at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU quoting reference F1047/G.

Ernst & Whinney

FD Potential? Problem Solving Skills?

Horsham, W. Sussex

c£21,000 + Car + Reloc.

Our client is a high profile European multi-national Group. The recent acquisition of several companies in the printing inks and coatings industry has resulted in the formation of a new organisation from the beginning of this year.

This rapid growth has created an extremely challenging, developmental management accounting role. Working directly with the Financial Director the general brief is to co-ordinate and integrate these new acquisitions into a rational framework. Specifically this will involve developing a centralised general ledger system, taking responsibility for the monthly reporting requirements for both UK management and the overseas parent and co-ordinating the planning and budgetary processes. As growth continues there will also be the need for ad hoc 'what if' type analyses, to control the

Company's planned major investments and to undertake increasing responsibilities.

Suitable candidates will be qualified accountants in their late 20's/early 30's who relish a problem solving role and who have good exposure to sophisticated computerised accounting systems in a commercial environment. They must be able to demonstrate enthusiasm, the maturity to motivate staff both on and off site and the ambition and potential to achieve Director status within 5 years.

If you believe you have the necessary qualities please contact Keith Evans on 01-831 2000 or write to him enclosing a comprehensive CV at Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH quoting ref. HCS 2001.



Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

FINANCE DIRECTOR DESIGNATE

Thames Valley

c£30,000 plus car

Our client is an internationally renowned engineering consultancy with a worldwide portfolio of projects.

The position of finance director designate is new; the requirement is to create an efficient finance function to complement the engineering expertise of the organisation. The job holder will work closely with the chief executive and have total responsibility for financial matters.

The nature of the role necessitates an individual with considerable drive, initiative and maturity who can demonstrate a practical approach to problem solving. Candidates will be chartered accountants with at least ten years commercial experience. Previous systems development involvement is essential.

The remuneration package includes relocation assistance where appropriate. Please send brief career details to Mike Gostick at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU quoting reference F177/G.

Ernst & Whinney

Financial controller

Middlesex, to £25,000 + car



Our client, a £20 million subsidiary of a major US corporation, is one of the leading service organisations in the film world and specialises in the cinema and television sectors.

Reporting to the Company Secretary and with a staff of twelve, you will have complete responsibility for the provision of all financial and management accounting information. Initially, a key task will be to review existing systems and to recommend improvements as appropriate. As part of this process, you will oversee the computerisation of the general ledger and will develop devolved budget accountability.

A qualified accountant, probably in your early thirties, you will have a good understanding of computerised accounting systems including the use of microcomputers. You must have experience of managing staff and, in addition, a working knowledge of US reporting requirements and company taxation would be advantageous. You must be able to communicate with staff at all levels, possess a confident and outgoing personality and have a proven record of achievement.

Résumés, including a daytime telephone number, to Janice Walden, Ref. JW655.

**Coopers
& Lybrand
Executive
Selection**

Coopers & Lybrand
Executive Selection Limited

Shelley House 3 Noble Street
London EC2V 7DQ
01-505 1875

Treasury and Administration Manager

Thames Valley

To £22,000 + Car

Our client is a US-owned international manufacturer, marketer and distributor of a broad line of household name consumer products.

Due to internal promotion, a career opportunity exists within the company's European Headquarters. Reporting to the European Finance Manager and joining a small professional team, this broad and varied role offers considerable exposure to senior operational management both in the UK and internationally.

Whilst primarily responsible for managing Treasury operations in UK and Europe, the successful applicant will also be required to participate in other regional finance department activities. This will involve profit analysis, administration, report writing and systems review. Suitable candidates will be young qualified accountants with previous international treasury experience gained, preferably, within a multi-national corporate environment.

This position is viewed as providing a good base for future career progression in finance or corporate development. A working knowledge of French and/or German would be an additional advantage.

For further information, please apply directly to Suzanne Wood on 0753 857181 or evenings on 01-876 5403.

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS

LONDON BIRMINGHAM WINDSOR MANCHESTER NEW YORK & OTHER GLOBAL OFFICES

CHIEF ACCOUNTANT

Exciting opportunity to join management team of growing Record Company.

Candidate must be experienced accountant familiar with computerised systems and have good communications skills.

Salary to c. £14,000.

Send C.V. to:
Rough Trade Records Ltd
61 Collier Street
London N1 9BE

Appointments Wanted

QUALIFIED ACCOUNTANT

MB, ACMA

Aged 31, experience in Management/Financial Accounting/Computing, seeks dynamic and challenging position in the UK or overseas.

Please write:

Box 4018, Financial Times

10 Cannon Street, London EC4A 3DF

Financial Planning, Resource Allocation and Internal Audit

- a key role in the running of one of the Country's biggest organisations

Based Manchester Salary to £25,000 p.a.

The North Western Regional Health Authority is the second largest region in England, with an annual revenue budget of £900 million, spread across 19 District Health Authorities and including a capital programme of £70 million per year.

Reporting to the Assistant General Manager, this position carries responsibility for the effective management of three important sections of the Finance and Management Services Division—Financial Planning, Resource Allocation and Internal Audit.

In particular, the successful applicant will ensure the compatibility of all resource aspects of the strategic and short term plans, the resource allocation policies and the consequences of the Capital Investment programme of the R.H.S. He or she will also play a major part in the review process relating to District Health Authorities.

The position represents an excellent opportunity for someone with relevant skills to develop and extend these three key areas, as well as their career. CPFA qualified or the holder of a similar accountancy qualification, you will have extensive experience in financial planning and internal audit, gained in the public service, industry or commerce. In your mid-late 30's, you will possess good managerial and communication skills together with the ability to interpret information quickly.

If you feel you possess the right professional and managerial qualities for this position, write or telephone for an application form and job description to the Regional Personnel Division, Gateway House, Piccadilly South, Manchester M60 7LP, quoting reference number B.199/D. Tel. 061-226 9456, ext 2327. Closing date for receipt of completed application forms 12.00 noon Friday 27th February 1987. This Authority is an Equal Opportunities Employer.

NORTH WESTERN REGIONAL HEALTH AUTHORITY

HMS ACCOUNTANCY APPOINTMENTS 111 Piccadilly Manchester M1 2DB YOUNG FAST TRACK ACCOUNTANTS!

To 30 years old £17-£20,000

A leading blue chip company requires first class ACAs currently working in the profession.

As a graduate with excellent examination record you will now be seeking to establish yourself in a long term career in industry. This position offers the rare opportunity to gain experience in a wide variety of disciplines, liaising with the highest levels of Management in the formulation of corporate policy. It is envisaged that following an initial 2-3 years your career will develop either in a financial or general management direction. An excellent remuneration and benefits package is offered to suitable candidates.

Contact Jonathan Strachan on 061-228 1913 or write enclosing details

→ HESTAIR MANAGEMENT SERVICES LIMITED ←

ASSISTANT COMPANY SECRETARY

c£17,000 + CAR TONBRIDGE, KENT

Benn Brothers plc, leading publishers of specialist business magazines, are seeking to appoint a qualified Chartered Secretary ideally in the age range 30-40.

Experience in pensions administration is essential. Other responsibilities will include the full range of secretarial matters for a number of subsidiary companies, preparation of agendas and minutes of board meetings and insurances.

The successful candidate will have a friendly and confident personality with a flexible approach to working in a small team. Salary is negotiable. Benefits include a company car, contributory pension scheme and private medical insurance.

Apply in writing to Geoffrey Smith, Personnel Manager, Benn Brothers plc, Sovereign Way, Tonbridge, Kent TN11 1RW. All applications will be treated in confidence.

Benn

IMI

for building products, heat exchange, drinks dispensers, fluid power, special-purpose valves, general engineering, refined and wrought metals. IMI plc, Birmingham, England

SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday February 19 1987

KIVETON PARK STEEL
BRIGHT FREE MACHINING STEEL, FOR FORGING, UPSETTING & EXTRUSION FROM KIVETON PARK

- Rounds, hexagons, flats, carbon and alloy steels. Coated rolls for cold forging and extrusion, sections a specialty.
- All in a wide range of finishes. Sizes from 1/2" - 3"

KIVETON PARK STEEL LTD, 5 WINDY HILLS RD, KIVETON PARK, LEICESTER LE15 8JH, ENGLAND

Steven Butler in Singapore reports on a deal intended to keep Tan Sri Khoo's financial empire intact

Bank of Brunei creditors bid to clear muddy waters

THE OUTCOME of a first meeting today in New York between representatives of Shearson Lehman Brothers and creditor banks to the National Bank of Brunei may give some indication of whether a commercial settlement to the NBB affair is a possibility. Tan Sri Khoo Teck Piat, who owned some 70 per cent of the bank, is expected to address the bankers personally.

The meeting may, on the other hand, serve only further to muddy waters that have been exceedingly murky ever since the Brunei Government seized and closed the NBB last November, amid charges of fraud and conspiracy against the bank's managers and auditors.

Nearly \$51m (US\$ 487.3m) in NBB loans, some 80 per cent of the bank's loan portfolio, is still outstanding to companies controlled by Tan Sri Khoo. Shearson Lehman, on his behalf, is making proposals designed to settle the claims of NBB while keeping Tan Sri Khoo's financial empire more or less intact.

It has been an uphill battle for Shearson Lehman since the Brunei Government is openly opposed to the settlement terms, although yesterday, for the first time, it was revealed that the new NBB controller was encouraging banks to negotiate with Shearson Lehman over a package proposal. This could represent an important turn of events.

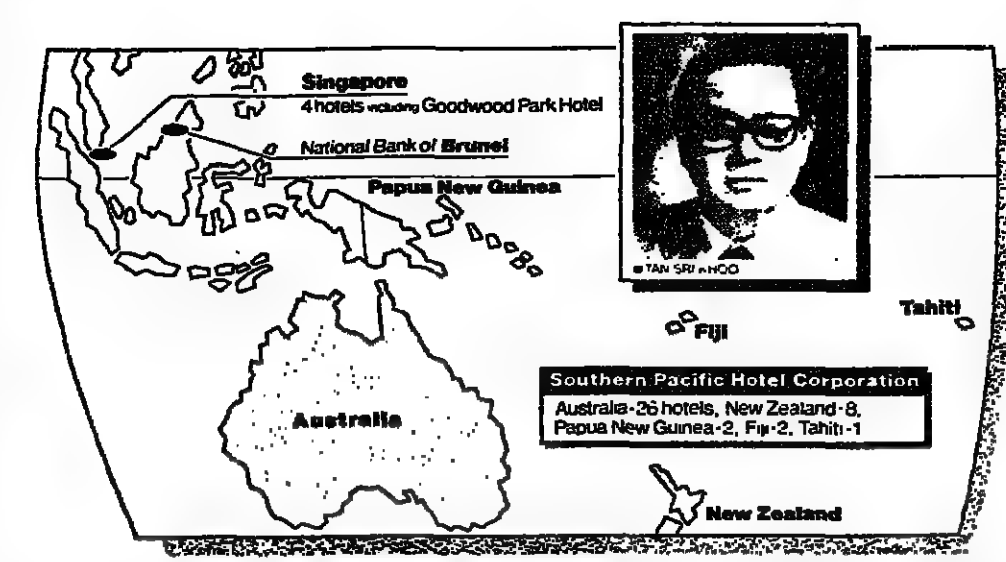
None the less, complications emerged in Singapore with news that the Singapore Government had begun its own investigations into Tan Sri Khoo's affairs there.

The Singapore Finance Ministry's commercial affairs department (CAD), which investigates and prosecutes alleged commercial crime, has begun seizing records from some of Khoo's companies and at least one bank creditor, American Express, of which Shearson is part. Business associates of Khoo have been interviewed about the local operations of Khoo's companies.

It is not clear what the investigators are looking for. The CAD routinely declines comment on its investigations, until the aims of the investigation is dropped, however, it is difficult to imagine how banks can join in a rescue operation for Khoo or his companies that requires continuing or increased financial support.

The nub of the Shearson Lehman proposal is that all of Khoo's unencumbered assets will be collected in escrow in a company set up in Singapore. These assets will be used to raise funds in order to seek a rapid liquidation of both the assets and the liabilities of NBB.

Although details of the proposals are not available, it seems clear that the plan would in effect require banks to transfer their loans issued



Tan Sri Khoo is considered one of the richest men in the Far East but, because he is primarily a trader of assets often using nominees to do his business, it is difficult to gauge his true worth.

The last time he put a figure on his assets was in

1976 when he said he was worth the equivalent of US\$12.5m, and controlled assets of about \$800m. He is the founder of Malayan Banking and owns 70 per cent of National Bank of Brunei, in addition to his extensive property and hotel investments.

to NBB to the escrow company, allowing Khoo's debts to the NBB to be paid and removing Brunei's involvement in the affair.

Standing firmly in the way, however, is the fact that Khoo's assets

are currently encumbered by writs for repayment of more than \$500m issued by the controller of NBB. Large blocks of shares of Khoo's companies have been seized.

Unless the NBB controller withdraws these actions, the assets of the escrow company cannot be built up to a point that sufficient funds can be raised.

At stake is a financial empire

stretching throughout Asia and into the City of London. Tan Sri Khoo owns controlling interests in hotel and property companies in Singapore. He owns the Southern Pacific Hotel Corporation, Australia's largest hotel chain, although the NBB controller has applied to have shares for the company registered in the name of NBB.

Tan Sri Khoo has also been mentioned in the controversy surrounding Standard Chartered Bank's successful defence against the takeover bid from last year from Lloyds Bank of the UK. Tan Sri Khoo emerged as a white knight in the defence when he bought, a 5 per cent stake in Standard Chartered in the final days of the bid. It was later revealed, however, that Standard Chartered granted a credit facility to the NBB during the bid.

Close associates of the Khoo family in Singapore have portrayed the Brunei Government's action against the NBB as part of a personal vendetta against Tan Sri Khoo, although they have not been successful at explaining the motives. The Brunei Government's efforts to block the Shearson Lehman proposals are seen as evidence that the Government is after more than a commercial resolution that cleanly liquidates all assets and liabilities of the NBB.

Brunei's main objection to the plan appears to be that it would re-

quire continuing involvement of creditor banks to the NBB - the Government would prefer that the banks are paid back. Defenders of the plan say that this is a decision that the creditor banks ought to be able to make themselves.

Others, however, say that Shearson Lehman simply misread the mood of the Brunei authorities.

"What they do not understand," says a banker "is that they are dealing with a government that feels it is in the right."

Although the plan would, if accepted by all involved parties, lead to rapid liquidation of NBB, its principal purpose could be interpreted as an effort to compel bankers to save Tan Sri Khoo's empire from destruction.

With the Brunei authorities now believing that Tan Sri Khoo has dealt with them in bad faith, they would be unlikely to accept such a plan unless presented to them as a wrapped package, fully paid for, and with no strings attached.

Wrapping up such a package, of course, will be all that more difficult without the Brunei authorities in on the negotiations from the start.

If the efforts fail, the result will very likely be lengthy legal battles ending up with the Khoo empire carved up into small pieces and few, if any, creditors receiving full payment.

DnC set to replace dividend with bonus shares

By Kevin Done in Stockholm

DEN norske Creditbank, Norway's leading commercial bank, has decided not to pay a dividend for 1986, but to distribute bonus shares instead, a move that has prompted concern among foreign investors.

The surprise announcement depressed the bank's share price, even though DnC argued yesterday that the move had tax advantages, particularly for domestic investors, and insisted that it had not been forced "out of necessity".

The move has been interpreted by some foreign investors as a sign of weakness after a year in which the bank has had to make heavy provisions for doubtful loans. The bank's free share price fell from Nkr 195 at the start of trading on Tuesday to around Nkr 170 (324) yesterday.

Mr Lars Brustad, deputy managing director responsible for investment banking, insisted yesterday that the bank had "ample room" in its earnings to pay a dividend even after all loan provisions, extraordinary items and tax payments. The decision was in the interests both of the bank and the majority of shareholders, he said.

Mr Chris Honnor, a stockbroker with Kleinwort Greaveson in London, said that foreign investors had reacted with "anger and discontent" to the move. It is extremely damaging in terms of foreign investor relations. DnC shares have been regarded as high income shares and have gone into high income funds. People are inclined to think that DnC needs the money.

The bonus issue is not to be paid out of profits, but is to be taken out of the bank's hidden reserves, through the revaluation of the booked value of bank buildings.

Bouygues backs off row with Schneider

By George Graham in Paris

THE EXPANDING empire of Mr Francis Bouygues has pulled back from its confrontation with the Schneider group over the future of the Spie Batignolles construction company.

Bouygues, France's largest construction group, has sold the 33.9 per cent stake in Spie it acquired in November to a group of shareholders friendly to Spie.

Although the third holding had allowed it to block Spie's plans to increase its capital, Bouygues was unable to shift Spie's majority shareholder, the Schneider group led by Mr Didier Pigneau-Valencien, which gradually increased its stake to 60 per cent.

The sale represents a reversal for Mr Bouygues, who has rapidly expanded his construction empire by taking over its rival Scrg last year and by diversifying into the retailing sector.

In Paris yesterday, company officials involved in the sale of the Spie stake said the withdrawal would provide liquidity for Mr Bouygues' bid to gain control of the TFI television chain, which is about to be privatised.

The French Government has set the price of a majority stake in TFI at FF 3bn (\$500m), considerably higher than several of the bidders had anticipated. Havas, the most favoured candidate to win the franchise, has already pulled out of the running.

Schneider said yesterday it had made clear all along that it intended to keep its stake and exercise all the rights of a majority shareholder in complete freedom.

Bouygues, however, said that Schneider had refused any co-operation between Spie and Bouygues, whose activities were complementary.

The company said: "In the face of this lack of understanding, Bouygues did not wish to keep its holding and, in agreement with Schneider, ceded this stake."

The shareholding was sold for FF 555 a share, compared with an average purchase price estimated at FF 510, leaving Bouygues with capital gains of about FF 74m.

ITT sharply ahead amid special charges

By Roderick Oram in New York

ITT, the diversified US industrial and financial group, has reported a sharp rise in net profits for the fourth quarter and year, although the underlying performance was heavily masked by special charges and gains.

The company said net income for continuing operations in 1986 totalled \$324m, or \$3.45 a share, against \$281m, or \$1.90, a year earlier. The earnings were understated, however, by the inclusion of three large special items.

The biggest of these was a \$90m, or 65 cents-a-share, net charge related to the spin-off of ITT's telecommunications equipment business into Alcatel, a European joint venture. "Substantial" pre-tax gains on the deal were more than offset by US tax liabilities.

Second, ITT included an \$80m, or 53 cents, charge for "strategic reserve actions" and third a gain of \$30m, or 33 cents, from the sale of shares in Abbey Life Insurance.

Year earlier net profit from continuing operations was similarly understated by \$100m, or 71 cents a share, by several one-time items.

The group said final net income was \$494m, or \$3.33 a share, against \$294m, or \$1.98, a year earlier.

Lear Siegler loses \$65.5m after charge

By Our New York Staff

LEAR SIEGLER, the Californian conglomerate which recently went private through a \$2.1bn leveraged buy-out, yesterday reported a second-quarter loss of \$65.5m and announced plans to sell several subsidiaries as part of its corporate restructuring plans.

The latest loss results from a non-recurring \$75m charge in December reflecting curtailment of the operations of the group's Piper Aircraft Corporation which has been hit by the downturn in the general aviation business.

In the six months to the end of December, Lear Siegler lost \$49m, or \$2.68 per fully diluted share, compared with net income of \$38.8m, or \$1.52 per share, in the corresponding period of the previous financial year.

Lear Siegler has 189 operating facilities in 29 states plus eight foreign countries and employs about 29,000 people.

The company plans to sell its Smith & Wesson handgun subsidiary, the Starcraft recreational vehicle and boat manufacturing subsidiaries, the LS Marine sailboat subsidiary, its Peerless truck trailer and heavy duty vehicle manufacturing operations, the Producers Cotton Oil Company and its Agricultural Equipment manufacturing operations.

Goldman Sachs, the New York investment bank, will act as financial advisor to the company on the distributions of Smith & Wesson, Starcraft and LS Marine. Annual sales for the operations to be divested were not disclosed.

Aetna Life reports 66% rise for year

By James Buchan in New York

AETNA LIFE & Casualty, the largest commercially-owned US composite insurance company, yesterday reported a 34 per cent increase in net operating profits in the fourth quarter and an improvement of 66 per cent for the year.

Aetna, which like other property casualty insurers has recovered strongly since mid-1984, said that its operating earnings in the fourth quarter were \$218m or \$1.67 a share, against \$161.6m or \$1.42 in the last quarter of 1985.

Various special gains and losses, including a \$44m tax advantage from earlier losses and a \$19.8m capital gain realised on Aetna's investment portfolio in the latest quarter, left final net income at \$284.9m or \$2.48 a share, against \$168.8m, or \$1.29.

While the quarterly comparisons are becoming less dramatic, Aetna still turned in operating net income of \$714m, or \$5.18 a share, against \$430m (\$43.84) in 1985. Adjusted for realised capital gains and losses and tax carry-forwards, these figures become \$1.04bn (\$9.12) and \$376m (\$3.32).

Mr James Lynn, chairman of Aetna, said that the property casualty business contributed most of the earnings improvement and progress was made "toward reaching an acceptable level of profitability."

Earnings in employee benefit business were held back by the cost of new ventures and the rising cost of health care but commercial insurance earnings were up sevenfold to \$177m in the year, and doubled to \$32m in the quarter.

Commercial policies are still being renewed at much higher premiums: the underlying growth in net written premiums was 24 per cent in the quarter.

However, the stock market continues to shun insurance stocks, and Aetna is still trading below its 1986 peak. The market fears that once again the dramatic improvement in profitability will attract new capital to the industry - Aetna's equity base rose 18 per cent last year - and bring on a price war in premium rates.

Allis spin-off plan threatened

By Our New York Staff

ALLIS-CHALMERS, the troubled US industrial group, said yesterday that its plan to spin off almost half its operations to a Swedish subsidiary was endangered by the parent company's serious financial condition.

The Milwaukee company, the common and preferred stock of which reacted strongly to the reorganisation announcement on February 10, warned that the transaction could take months and might only be possible if creditors extended relief on their loans "as part of an overall recapitalisation of Allis-Chalmers."

Allis, which has been shrinking drastically in response to the collapse of its agricultural and ore-processing equipment markets, said last week that it wanted to spin off its overseas subsidiaries and its North American crushing and screening operations, into a company to be built round its fairly successful Swedish subsidiary, Svedala-Abtra in Malmo.

J. C. Penney's full-year earnings, before \$32m of special charges, rose by a third to \$530m

Atlas Copco retreats by 11.8%

By Sara Webb in Stockholm

ATLAS COPCO, the Swedish industrial, mining and construction equipment manufacturer, reported a 11.8 per cent fall in profits after financial items for 1986 on slightly increased sales.

Profits after financial items were SKr 730m (\$112m), compared with SKr 838m in 1985. Group profits have been affected by unfavourable exchange rates in relation to certain suppliers and markets, and by restructuring costs.

invoiced sales totalled SKr 10,351m, up 2.8 per cent on the 1985 figure of SKr 10,062m. Overseas markets account for 91 per cent of group invoiced sales.

Group sales of industrial compressors and tools for the manufacturing industry increased during 1986, particularly in Brazil and Western Europe.

However, profits for the Airpower division, which sells both portable and industrial compressors,

fell 4 per cent to SKr 431m because of large start-up costs for the launch of new products.

The MCT division, which makes hydraulic and pneumatic equipment for mining and drilling, suffered a fall in profits, from SKr 185m to SKr 118m, largely because of unfavourable exchange rates in the most important markets.

Earnings in the tools division rose 19 per cent to SKr 108m, while invoiced sales were 10 per cent up

This announcement appears as a matter of record only.

New Issue

18th February, 1987

ÖSTERREICHISCHE LÄNDERBANK = AKTIENGESELLSCHAFT

(incorporated with limited liability in the Republic of Austria)

Japanese Yen 10,000,000,000
Stepped-up Floating Rate Notes Due 1992

Issue Price 101 3/4 per cent.

Yamaichi International (Europe) Limited

Chuo Trust Asia Limited

Fuji International Finance Limited

Norcem doubles group turnover

By Our Nordic Correspondent

AKER NORCEM, one of Norway's largest industrial concerns with activities in construction, building materials and offshore drilling and contracting, had a group turnover of Nkr 9.4bn last year, more than double the 1985 level. This follows the consolidation of the Aker group and Astrup Hoyer, Norway's second largest construction group.

Group profits after financial items rose to around Nkr 400m from Nkr 297m in 1985, according to preliminary figures.

At the beginning of 1987, Aker had a record backlog of orders at Nkr 5.6bn, of which the offshore division accounted for Nkr 3.3bn.

Aker Norcem said that as much as 90 per cent of group turnover was currently derived from the domestic market and that the group had made international operations a priority.

Penney plans to join TV home shopping

By Our New York Staff

J.C. PENNEY, the third biggest general retail store chain in the US, yesterday reported a 20 per cent rise in its full year earnings to \$478m, or \$0.37 a share, and announced plans to enter the fast-growing TV home shopping market.

Penney announced yesterday that it would launch in the summer the first consumer-controlled, cable TV delivered, home shopping and information service, called "Teleshopping."

Teleshopping requires a touch-tone telephone and a TV set, and it will be sold as part of the basic cable TV subscriber package. It will be provided initially to 125,000 households in the Chicago area and, depending

on the rate of consumer acceptance, could be extended to over 20 large US cities by the end of 1988. More than 60 cities should be linked up over the next five years.

The disclosure that one of the biggest US retailers was planning to make a push into shopping from home by TV sent J. C. Penney shares \$3 higher to \$9 3/4 early yesterday. Shares of Home Shopping Network, a Florida-based pioneer in the sector, whose price has soared following last year's stock market flotation, tumbled by \$5 to \$25 yesterday.

J. C. Penney's full-year earnings, before \$32m of special charges, rose by a third to \$530m

NEW ISSUE

This announcement appears as a matter of record only.

February, 1987



The Council of Europe Resettlement Fund for National Refugees and Over-Population in Europe

¥10,000,000,000

**5 per cent. Bonds due 1992
(Tranche A)**

ISSUE PRICE 101½ PER CENT.

and

¥10,000,000,000

**5½ per cent. Bonds due 1994
(Tranche B)**

ISSUE PRICE 101½ PER CENT.

Daiwa Europe Limited

LTCB International Limited

Banca del Gottardo

Bank of Tokyo International Limited

Banque Internationale à Luxembourg S.A.

Berliner Handels- und Frankfurter Bank

Crédit Lyonnais

Credit Suisse First Boston Limited

DKB International Limited

Fuji International Finance Limited

Kreditbank International Group

Mitsui Finance International Limited

Mitsui Trust International Limited

Morgan Guaranty Ltd

Morgan Stanley International

Nippon Credit International Limited

Saitama Bank (Europe) S.A.

Société Générale

Sumitomo Finance International

Sumitomo Trust International Limited

Swiss Bank Corporation International Limited

Tokai International Limited

Yasuda Trust Europe Limited

INTL. COMPANIES and FINANCE

Copenhagen bank falls sharply into the red

BY HILARY BARNES IN COPENHAGEN

COPENHAGEN Handelsbank, Denmark's second largest commercial bank, reported a DKr 828m (\$121.8m) group loss last year compared with a net profit of DKr 2.42bn in 1985.

The bank shunned the balance sheet total from DKr 135.9bn to DKr 108.4bn to help meet the 8 per cent minimum legal ratio of equity capital to deposits and guarantees.

It cleared the ratio by a margin of a ½ per cent as its total equity capital declined from DKr 6.96bn to DKr 6.10bn.

The 15 per cent dividend will be maintained despite the loss caused by unrealised losses on the bond and share portfolio of DKr 1.66bn compared with unrealised gains of DKr 2.42bn in 1985.

The bank's chief executive, Mr Bengt Hansen, said its operating profits, which increased by 18 per cent from DKr 967m to DKr 1.14bn, provided a satisfactory basis for developing the bank's business in the coming years.

Earnings after depreciation and bad-debt provisions increased 11 per cent from DKr 566m to DKr 629m.

The balance sheet adjustment was made primarily by reducing loans and deposits with other domestic and foreign banks. However, bank lending to the public increased by only 8 per cent, although bank sector lending as a whole last year rose 30 per cent. The bank's deposits declined from DKr 50.9bn to DKr 48.1bn.

The big portfolio loss was caused by falling bond and share prices on the Copenhagen stock exchange last year which hit the earnings of all the banks.

First Bank steps up dividend

By William Hall in New York

FIRST BANK Systems, a leading US regional banking group, yesterday announced one of the biggest dividend increases in the industry in recent memory, raising its quarterly payout by 50 per cent to 37.5 cents a share.

First Bank Systems is the 15th largest bank holding company in the US, and many of its customers are based in the mid-Western farm belt which has been suffering serious financial problems.

The group said that its action, which led to a near-10 per cent jump in its share, was "an expression of confidence" in its financial strength and earnings outlook. It said that the adverse trend in credit quality during the last two years had been reversed.

Between 1981 and 1984, the group's ratio of dividend to earnings had ranged from 33 per cent to 38 per cent, but over the past two years the ratio had slipped to about 27 per cent.

The company said that the dividend increase restored the ratio to levels more consistent with its historical pattern.

Deutsche Bank subsidiary unchanged

By Heig Simonian in Luxembourg

DEUTSCHE BANK Compagnie Financière, the Luxembourg subsidiary of West Germany's largest bank, made an unchanged preliminary after-tax profit of DM 35.7m (\$19.8m), in 1986.

The bank's total assets declined by 6 per cent last year to DM 24.1bn as a result of the dollar's fall.

The bank's net profit is again being used to strengthen its discretionary reserves, which now stand at DM 331m.

Reflecting the continuing downturn and competition in the traditional Euro-credit market, the bank has decided to follow the example of some of its West German counterparts in Luxembourg and expand into private client business next month. It is accordingly changing its name to Deutsche Bank Luxembourg S.A.

Sika turnover suffers from weak dollar

By John Wicks in Zurich

SIKA, the Swiss-owned building chemicals group, has reported a 3 per cent fall in turnover for last year to Sfr 697m (\$433.5m) but says cashflow should be about the previous year's level of Sfr 41.2m.

The fall in sales is the result of the foreign currency situation, particularly the weak dollar and Latin American currencies. In terms of Swiss francs, North American sales were down 25 per cent and those in South America by 27 per cent on 1985 figures. In contrast to the lower Swiss franc turnover, sales volumes rose 4 per cent last year.

The 1986 turnover figure does not include sales of the recently-acquired companies Adhesol, of Simrishamn, Sweden, and Chemseco, of Kansas City.

The Basel-based parent company Sika Finanz says in a letter to shareholders that it expected satisfactory results for the current year, during which it would concentrate on "strengthening our position in growth technologies."

Sika Finanz plans a Sfr 90m warrant-bond issue next month to finance "major investments in our subsidiaries and the purchase of acquisitions," while a rights issue of new shares and participation certificates will be proposed at the next annual meeting.

Northrop hit by costs on F-20 Tigershark

BY OUR FINANCIAL STAFF

NORTHROP, the US military aerospace group, reported lower net earnings of \$9.3m, or 20 cents a share, in the fourth quarter, from \$29.2m, or 63 cents, a year ago. The setback was partly due to taking all remaining costs related to the F-20 Tigershark programme in the three months.

For the year, profit slid to \$41.3m, or 89 cents a share, from \$214.4m, or \$4.93, on sales of \$5.61bn, against \$5.06bn last time. For the latest quarter, turnover was up at \$1.66bn from \$1.53bn.

The full-time results include a \$90m provision for a margin adjustment on a research and development contract.

Sulzer sales steady

BY OUR ZURICH CORRESPONDENT

SULZER Brothers, the Swiss engineering concern, booked an unchanged group turnover of about Sfr 4.5bn (\$2.9bn) last year, according to the parent company in Winterthur.

Net earnings are expected to exceed the 1985 levels of Sfr 42m for the group and Sfr 26m for the parent. This marks a continuation of the turnaround for Sulzer, which reported consolidated losses of Sfr 102m in 1983 and Sfr 18m the following year.

While orders on hand permitted "good capacity use" in 1986, the value of new orders received during the year fell from Sfr 4.8bn to Sfr 4.6bn. This, like the unchanged level of group sales, reflects the further sharp trade-weighted increase of the Swiss franc in 1986.

In the case of the parent company, sales fell from Sfr 2.3bn to Sfr 2.2bn and new orders from Sfr 2.2bn to Sfr 2.1bn last year.

New Issue

This advertisement appears as a matter of record only.

February 18, 1987

The Council of Europe Resettlement Fund

for National Refugees and Over-Population in Europe
Strasbourg/Paris

Fonds de Rétablissement du Conseil de l'Europe
pour les Réfugiés Nationaux et les Excédents de Population en Europe
Strasbourg/Paris

DM 100,000,000

5⅞ % Bonds 1987/1994 with Currency Warrants

Issue Price: 116½ %
Interest: 5⅞ % p.a., payable annually on February 18
Repayment: February 18, 1994, at par
Warrant rights: Each bond in the denomination of DM 5,000.- has 10 warrants attached to purchase a total of US-Dollars 5,000.-, each warrant entitling the holder to purchase US-Dollars 500.-, from March 30, 1987 through and including January 29, 1990 at the exchange rate of DM 1.78 for each US-Dollar.
Listing: Düsseldorf and Frankfurt am Main (Bonds and Warrants)

Trinkaus & Burkhart
Kommanditgesellschaft auf Aktien

Berliner Handels-
und Frankfurter Bank

Banca del Gottardo
Banque Nationale de Paris

Bank Brussel Lambert N.V.
Bayerische Landesbank Girozentrale

Banque Internationale à Luxembourg S.A.
Bayerische Vereinsbank
Aktiengesellschaft

Commerzbank
Aktiengesellschaft

CSFB-Effektenbank

Daiwa Europe (Deutschland) GmbH

Deutsche Bank
Aktiengesellschaft

DG BANK

Deutsche Genossenschaftsbank

Deutsche Girozentrale
- Deutsche Kommunalbank -

Dresdner Bank
Aktiengesellschaft

DSL Bank

Deutsche Siedlungs- und Landesrentenbank

EBC Amro Bank
Limited

Genossenschaftliche Zentralbank AG
Vienna

Industriebank von Japan (Deutschland)
Aktiengesellschaft

Kreditbank S.A. Luxembourgaise

Merck, Finck & Co.

Samuel Montagu & Co.
Limited

Sal. Oppenheim jr. & Cie.

Schweizerische Bankgesellschaft
(Deutschland) AG

Schweizerischer Bankverein
(Deutschland) AG

Société Générale - Elsassische Bank & Co.

Vereins- und Westbank
Aktiengesellschaft

M.M. Warburg-Brinckmann,
Wirtz & Co.

Westdeutsche Landesbank
Girozentrale

NEW ISSUE

This announcement appears as a matter of record only.

February, 1987

U.S.\$200,000,000

Mitsui Trust Finance (Hong Kong) Limited

(Incorporated in Hong Kong with limited liability)

7¾ % Guaranteed Notes Due 1994



Guaranteed as to payment of principal and interest by

The Mitsui Trust and Banking Company, Limited

(Mitsui Shintaku Ginko Kabushiki Kaisha)
(Incorporated in Japan with limited liability)

ISSUE PRICE 101½ PER CENT.

Mitsui Trust International Limited

Nomura International Limited

Banque Paribas Capital Markets Limited

Credit Suisse First Boston Limited

Morgan Stanley International

Salomon Brothers International Limited

Algemene Bank Nederland N.V.

Bankers Trust International Limited

Banque Bruxelles Lambert S.A.

Barclays de Zoete Wedd Limited

Chase Investment Bank

Chemical Bank International Group

Crédit Commercial de France

Crédit Lyonnais

Daiwa Europe Limited

Deutsche Bank Capital Markets Limited

Generale Bank

Goldman Sachs International Corp.

Kleinwort Benson Limited

Lloyds Merchant Bank Limited

Manufacturers Hanover Limited

Merrill Lynch Capital Markets

Samuel Montagu & Co. Limited

Morgan Grenfell & Co. Limited

The Nikko Securities Co., (Europe) Ltd.

Prudential-Bache Securities International

Shearson Lehman Brothers International

Svenska Handelsbanken Group

Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

Wako International (Europe) Limited

S. G. Warburg Securities

Yamaichi International (Europe) Limited

THE NEW GLOBAL LANGUAGE OF CAPITAL.

American companies are financing in Europe. European companies are financing in America. The Japanese and Koreans are expanding their financing horizons. What is now required of an investment bank is the depth and

**THERE IS ONE WORLD MARKET.
AND THERE ARE 24 HOURS
IN A DAY.
AFTER THAT, IT IS ALL
IMAGINATION, AGILITY, AND
MUSCLE.**

breadth of experience to serve the *whole* client almost anywhere on earth.

We are unique in this regard. Our \$2.65 billion in capital assures you the best pricing possible. Our willingness to put it to work means we will carry your paper if necessary.

We are acknowledged to be a U.K. and European expert in U.S. stocks. And perceived in U.S. markets as an expert in international equities.

We were the first investment bank to sell MMP™ stock for European issuers in the U.S. market. Including a \$100 million placement for Michelin.

We have the worldwide distribution system to sell \$200 million worth of Kingdom of Belgium Floating Rate Notes in one day. And turn over \$1 billion in Deutschmarks in one week.

Our \$1 billion Kingdom of Denmark issue still remains one of the largest fixed-rate debt issues ever in the Euromarket. We were the lead manager of the Italy Fund. As well as the lead manager for Toyo Trust, in the first federal funds-based Eurobond swap.

Capital is now the world's global language. There are those who understand this. And those who do not.

Talk with us. In New York, please call Greg Sacco or Jim Stern at 640-7272. In London, Jacques Gelardin, 626-2525. In Tokyo, Kiyonobu Shimazu, 505-9000.

**SHEARSON
LEHMAN
BROTHERS**

An American Express company



© 1987 Shearson Lehman Brothers Inc.

All of these securities having been sold, this announcement appears as a matter of record only.

February, 1987

3,000,000 Shares



Common Stock

This portion of the offering was offered in the United States and elsewhere (except Canada) by the undersigned.

2,000,000 Shares

Shearson Lehman Brothers Inc.

The First Boston Corporation

PaineWebber Incorporated

E. F. Hutton & Company Inc.

Bear, Stearns & Co. Inc.	Dillon, Read & Co. Inc.	Donaldson, Lufkin & Jenrette
Drexel Burnham Lambert	Hambrecht & Quist	Kidder, Peabody & Co.
Lazard Frères & Co.	Montgomery Securities	Morgan Stanley & Co.
Prudential-Bache	L. F. Rothschild, Unterberg, Towbin, Inc.	
Salomon Brothers Inc.	Smith Barney, Harris Upham & Co.	
Wertheim Schroder & Co.	Dean Witter Reynolds Inc.	
William Blair & Company	A. G. Edwards & Sons, Inc.	Oppenheimer & Co., Inc.
Rothschild Inc.	Thomson McKinnon Securities Inc.	
Advest, Inc.	Arnhold and S. Bleichroeder, Inc.	Sanford C. Bernstein & Co., Inc.
Blunt Ellis & Loewi	J. C. Bradford & Co.	Cowen & Co.
Eppler, Guerin & Turner, Inc.	Foster & Marshall Inc.	Jefferies & Company, Inc.
Ladenburg, Thalmann & Co. Inc.	Lovett Mitchell Webb & Garrison, Inc.	
McDonald & Company	Moseley Securities Corporation	Neuberger & Berman
Prescott, Ball & Turben, Inc.	Rauscher Pierce Refsnes, Inc.	
The Robinson-Humphrey Company, Inc.	Rotan Mosie Inc.	
Tucker, Anthony & R. L. Day, Inc.	Underwood, Neuhaus & Co.	
Wheat, First Securities, Inc.	William K. Woodruff & Company	

This portion of the offering was offered in Canada by the undersigned.

1,000,000 Shares

Wood Gundy Inc.

McLeod Young Weir Limited

Richardson Greenshields of Canada Limited

Pemberton Houston Willoughby Bell Gouinlock Inc.

Walwyn Stodgell Cochran Murray Limited

Bache Securities Inc.

Davidson Partners Limited

McNeil, Mantha, Inc.

Scotia Bond Company Limited

INTL. COMPANIES and FINANCE

Riccar wins support from Daiei

BY YOKO SHIBATA IN TOKYO

RICCAR, the Japanese sewing machine maker which collapsed in 1984, has won the surprise financial backing of Daiei, Japan's largest supermarket operator, on the final day before Riccar would have been forced into liquidation.

The Tokyo District Court had approved an earlier plan to rehabilitate the company under the protection of the Corporate Rehabilitation Law — the Japanese version of the US Chapter 11 proceedings — in February 1985. It had to submit a rehabilitation plan within two years, and had been scheduled to do so by yesterday.

However, Mr Shogo Abe, the Riccar receiver, has now announced that the company has received court permission to postpone the submission for six months and will work out the rehabilitation plans with full backing by Daiei.

When Riccar returns to court in August, it is expected to propose a placement of new shares with Daiei which would give the retail group effective control.

For the year ending this month, Riccar's week forecast a pre-tax loss of ¥2bn (\$13.1m) on sales which have dwindled to ¥13.6bn.

Daiei despatched an adviser

to Riccar on Tuesday and plans to help Riccar in all areas including finance, personnel and product development. According to Mr Isao Nakachi, Daiei's chairman, signs of an upturn could be detected in Riccar's performance.

Of more immediate interest, however, is believed to be Riccar's property holdings, which have benefited from a recent surge in land prices. In particular, there has been a substantial increase in the market value of Riccar's head office building in Tokyo's Ginza district, which Riccar is planning to sell together with other assets.

Daiei plans to develop Riccar into a marketing company using Riccar's existing nationwide branch and sales staff, Mr Abe said. He estimates Riccar's liabilities at ¥86bn (\$560m) including ¥35bn in secured debt. With profits from property disposals as well as from its business, the company plans to repay the secured debts over 10 years.

The collapse of Riccar left 14 foreign banks with a total exposure of ¥9.48bn, and this was mostly in unsecured short-term loans. The recovery of these remains in doubt.

Bond strengthens his operations

BY OUR HONG KONG AND FINANCIAL STAFF

MR ALAN BOND, the Australian entrepreneur, has travelled two corporate deals which, although not directly related, are both expected to strengthen his operations.

At home, he is to end his retailing presence with the disposal of Waltons Bond, a 73-store chain which for some years has proven a drag on earnings for Bond Corporation Holdings, his Perth-based master company.

The purchaser of the chain, for an undisclosed cash price, is Venture Stores, a privately held Melbourne group.

In Hong Kong, meanwhile, the HK\$1.9bn (US\$ 243.6m) acquisition of Financial Square, a nearly finished twin-tower office complex, has helped minimise the possibly damaging effects of a public apology he made just two days earlier. This was for making misleading statements on the net asset value of Bond International, his new locally listed vehicle.

The company, a 66 per cent subsidiary of Bond Corpora-

tion, has so far provided no details of how the group will finance the purchase. A terse statement yesterday said it paid HK\$1.810 per sq ft for the complex—considered a good price for the centrally located property.

The purchase has sharply improved group earnings prospects in the medium-term. The complex should be ready for occupation by the end of the year, when supply of commercial space will be tight.

Financial Square was 70 per cent controlled by a Singaporean Japanese consortium, with the remaining 30 per cent split between locally listed Sincoland, and a subsidiary of Everbright. The statement from Bond said payment would be in cash, through instalments to be completed by the end of the year.

Bond International had debts of HK\$2.4bn and relatively meagre equity of some HK\$950m before the purchase. A HK\$1bn rights issue is planned to help fund the

HK\$1.4bn purchase of HK-TV, the territory's leading television company.

Demand for Bond shares was heavy yesterday. They closed at HK\$3.75 compared with Tuesday's HK\$3.50 commencement. The increase was seen mainly as a response to the improved net asset value of the company, which is now in the HK\$2.60 range.

That is the magic figure that Mr Bond quoted to journalists in early January, and which got him into hot water with the Securities Commission because it contradicted the HK\$1.10 quoted in the company's prospectus.

Excluded from the Australian disposal is the lease of a large Sydney shop and office development being conducted jointly with Kumagai Gumi, the Japanese construction group.

Bond Corporation executives described themselves as very happy with the price obtained, which "bears no comparison with what one could get a year ago."

Improvement for Hooker at six months

By Chris Sherwell in Sydney

HOOKE CORPORATION, the Australian property and retail group of which Mr George Hooker took control in 1985, yesterday reported sharply improved interim profits on the back of increased revenues for the six months to December show revenue increased by 28 per cent to A\$422m (US\$286m) and profits after tax and preference dividends up by 45 per cent to A\$55m.

According to the company, a further A\$22.6m in deferred profits has yet to be taken into account.

The improvement in performance, made despite generally difficult business conditions, was said to reflect the growing importance of Hooker's US activities and the benefits of Mr Hooker's entrepreneurial approach.

Hooker is currently developing three large shopping centres in the US, in Cincinnati, Denver and Tampa. Its expanding projects division now has operations in six US states as well as in all of Australia's states.

A profits breakdown for property activities shows improvements in projects, housing, and head leases and car parks, but declines in residential land development and agencies.

In other activities, retail stores, share trading and the finance company all improved, but the resources division weakened.

Bougainville Copper up by 61%

BY OUR FINANCIAL STAFF

BOUGAINVILLE COPPER, the Papua New Guinea mining affiliate of Australia's CRA, boosted net profits by 61.3 per cent last year to \$18.1m (\$48.17m), on 7.9 per cent rise in revenues to \$42.7m.

The company attributed the outcome to "higher concentrate sales, significantly higher gold prices and containment of production costs." The total dividend for the year is lifted

to 11 cents per share from 7 cents, including a payment for the latest six months of 7 cents.

Metal sales for 1986 included 178,774 tonnes of copper, 16,445 kg of gold, and 50,373 kg of silver—showing respective rises in volume over the previous year of 5.2 per cent, 6 per cent, and 13.8 per cent.

Production improvements were achieved through an increase in gold grades and in increased metal recovery which

stemmed from the use of a secondary grinding unit.

Bougainville's borrowings during the period were reduced by 7.1m to stand at a year-end 28.8m. Interest charges came down to 2.92m from 4.40m.

In addition to loans outstanding, the company indicated that \$6.5m was available in undrawn facilities plus more than \$2.5m in bank acceptance lines.

Profits decline at Asahi Glass

BY OUR TOKYO STAFF

ASAHI GLASS, Japan's leading glass products group, yesterday reported a pre-tax profits decline of 9 per cent last year to ¥1.98bn (\$338m), despite a 3 per cent increase in turnover to ¥708.41bn.

Net profits were ¥36.39bn, down 8 per cent, but the annual dividend is unchanged at ¥8 per share.

The poor performance was blamed partly on a sluggish

market for the company's mainstay products such as those for the automotive and electrical industries, as well as higher depreciation costs.

Sales of glass and construction materials such as glass fibre reinforced cement (GRC) rose 4.3 per cent to ¥382bn. Lower utility charges and cheaper oil prices were offset by negative factors such as a ¥30bn revenue fall from plant exports caused by the

yen's rise, sluggish glass sales to the car industry, and a ¥5bn setback in colour television tubes.

For the current year, Asahi Glass expects strong sales of glass products for construction. Demand for TV tubes is forecast to recover prior to the Seoul Olympics. Pre-tax profits are projected at ¥54bn, up 4 per cent, on turnover of ¥720bn, up 2 per cent from the previous year.

Tung offshoot shares rise sharply

BY KEVIN HAMLIN IN HONG KONG

ORIENT OVERSEAS Holdings of Hong Kong, the 65 per cent held subsidiary of the C. H. Tung shipowning group which recently completed a US\$2.5bn debt and capital restructuring, yesterday announced a warning following a dramatic rise in its share price.

Relisted just over a week ago after a 17-month suspension, the shares, which have a net asset value of HK\$0.538, opened on Monday at HK\$6, and have traded since up to a high of HK\$9.

A statement from Orient's board expressed "concern" and added that it "is not aware of any reason for this movement."

It noted, however, that the volume of shares traded was small.

The group's statement appears to have dampened enthusiasm somewhat. Orient shares closed yesterday at HK\$5.20, down 60.5 per cent on the previous day's close.

Blue Circle South Africa ahead

WEAK DESPITE demand for cement from South Africa's building and construction industries, Blue Circle, the cement manufacturer, 42 per cent owned by its British parent, the same name, lifted net earnings for 1986 from 14.7 to 73.6 cents a share and the dividend total has been raised

from 11 cents to 38.5 cents a share, Jim Jones reports from Johannesburg.

Sales volumes were lower than 1985, though turnover rose slightly to R291m (\$144.9m) from R291m and pre-tax profits, assisted by lower interest charges, rose to R17.3m from R2.1m.

U.S. \$150,000,000 Guaranteed Floating Rate Notes due 1992 of SANWA INTERNATIONAL FINANCE LIMITED

Guaranteed as to payment of Principal and Interest by THE SANWA BANK LIMITED

Notice is hereby given that the Rate of Interest has been fixed at 6 1/4% p.a. and that the interest payable on the relevant Interest Payment Date, August 19, 1987, against Coupon No. 7 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$336.23.

February 19, 1987, London
By: Citibank, N.A. (CSI Dept.), Agent Bank CITIBANK

	AIBD BONDS INDICES			
	Weekly	12 Months	12 Months	12 Months
	Yield	Change	High	Low
US Dollar	8.529	0.685	10.104	8.450
Australian Dollar	14.464	0.243	14.587	12.830
Canadian Dollar	9.824	1.972	11.664	9.633
Euroguilder	6.137	-0.325	6.314	5.804
Euro Currency Unit	8.665	0.301	9.434	8.164
Yen	5.849	0.154	6.898	5.774
Sterling	10.651	-0.084	11.665	9.751
Deutsche Mark	6.101	-0.082	6.750	6.071

Bank J. Vontobel & Co Ltd, Zurich

Telex: 87274 JYZ CH

We Value Your Business.

- Acquisition Investment Analysis
- Financial Impact Studies
- Liquidations/Bankruptcies
- Asset Appraisals

Offices Worldwide.
Call: Gordon Reed
Senior Vice President
United Kingdom
(0) 272-217020
Over 100 Years of Professional Excellence.

Arthur D. Little
Valuation, Inc.

U.S. \$400,000,000
BANQUE FRANÇAISE
DU COMMERCE EXTERIEUR
Guaranteed Floating Rate
Notes Due 1997

For the three months February 19, 1987 to May 19, 1987 the Notes will bear interest at 6 1/4% per annum. US\$171.51 will be payable on May 19, 1987 per \$10,000 principal amount of Notes.

Standard Chartered

Standard Chartered PLC

(Incorporated with limited liability in England)

£150 million Subordinated Floating Rate Notes due 1996

In accordance with the provisions of the Notes, notice is hereby given that for the three months period from 17th February 1987 to 18th May 1987 the Notes will bear interest at the rate of 10.975 per cent per annum.

Interest per £5,000 Note will amount to £135.31 and will be paid for value 18th May 1987 against surrender of Coupon No 4.

Standard Chartered Merchant Bank Limited
Agent Bank

Weekly net asset value



Tokyo Pacific Holdings (Seaboard) N.V.

of 16.287 U.S. \$126.11

Listed on the Amsterdam Stock Exchange

Information: Pierson, Helderling & Pierson N.V.,
Herenracht 214, 1016 BS Amsterdam.

U.S. \$400,000,000



The Kingdom of Belgium

Floating Rate Notes Due February 1991

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest has been fixed at 6 1/4% for the Interest Determination Period 19th February, 1987 to 18th August, 1987. Interest payable on 18th August, 1987 will amount to U.S.\$3,405.82 per U.S.\$250,000 Note.

Agent Bank:
Morgan Guaranty Trust Company of New York
London



Malayan Banking Berhad

US \$60,000,000

Negotiable Floating Rate Dollar Certificates of Deposit due 1987 Tranche C

In accordance with the provisions of the Certificates, notice is hereby given that the rate of interest for the period from 20th February 1987 to 20th May 1987 has been established at 6 1/4% per cent per annum.

The interest payment date will be 20th May 1987. Payment, which will amount to US \$4,210.50 per Certificate, will be made against the relative Certificate.

Agent Bank
Bank of America International Limited

YOKOHAMA ASIA LIMITED

(Incorporated in Hong Kong)

U.S. \$100,000,000

GUARANTEED FLOATING RATE NOTES DUE 1997



Unconditionally and irrevocably guaranteed by THE BANK OF YOKOHAMA, LTD. (Incorporated in Japan)

Notice is hereby given that the Rate of Interest for the interest period has been fixed at 6 1/4% p.a. and that the interest payable on the relevant Interest Payment Date, May 19, 1987 against Coupon No. 7 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$171.51 and in respect of U.S.\$250,000 nominal of the Notes will be U.S.\$4,210.50.

February 19, 1987, London
By: Citibank, N.A. (CSI Dept.), Agent Bank CITIBANK

DnC

Den norske Creditbank
Primary Capital Perpetual
Floating Rate Notes

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from February 19, 1987 to May 19, 1987 the Notes will carry an Interest Rate of 6 1/4% p.a. and the Coupon Amount per U.S.\$10,000 will be U.S.\$171.51.

February 19, 1987, London
By: Citibank, N.A. (CSI Dept.), Agent Bank CITIBANK

\$875m new dollar bond issues launched

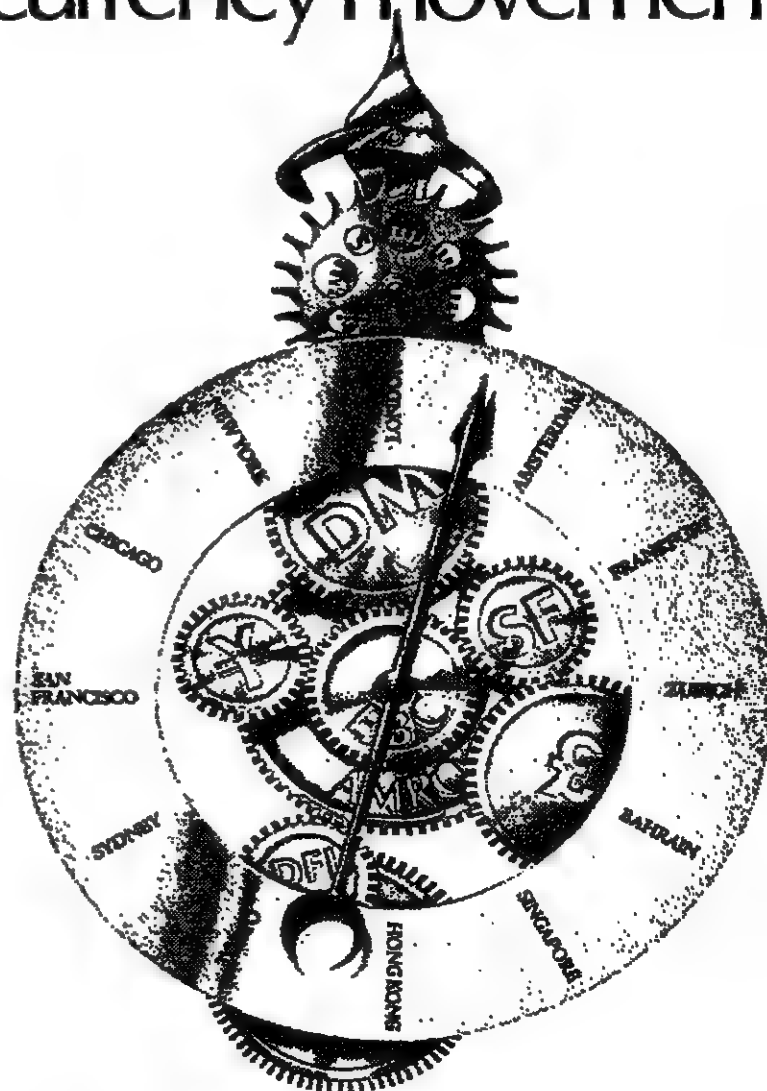
Marubeni deal challenges Tokyo banking accord

Ford farm unit buys tractor maker

**More International
Company News
on Page 33**

IN FOREIGN EXCHANGE
Square, London EC2M 4HS. Tel: 01

EBC Amro Bank Limited, 10 Devonshire Square, London EC2M 4HS. Tel: 01-626 4606.



UK COMPANY NEWS

DEFENCE DOCUMENT DETAILS DOWNTURN IN TRADING

L and N share price falls sharply

BY NIKKI TAIT

London and Northern, construction, energy and health-care group which is facing a \$90m bid from Demerger Two, yesterday released its delayed defence document, giving more details of the trading downturn during 1986.

And yesterday the shares fell sharply from 72½p to 66p, following the decision by the majority of the board at 10 pm on Tuesday night to recommend qualified acceptance of Demerger's \$1p-a-share cash alternative, though not its paper terms.

Sentiment appeared to reflect fears that the grudging recommendation implied a grim picture for 1986 and could herald an even sharper fall in the price if the Demerger offer, which requires 90 per cent acceptances, were to lapse.

The defence document revealed that on the troubled healthcare side the turnkey equipment supply contract in the Middle East had been dis-

continued and that "a substantial extraordinary write-off" would be made in respect of that closure. The company has already made a \$3.7m provision against losses on the contract in its 1985 figures.

London and Northern says it has now lodged a claim against British Technology Group, the former National Enterprise Board, in respect of the contract. BTG held the largest—65.7 per cent—stake in United Medical Enterprises, the healthcare company, which London and Northern bought for £24.3m in 1983.

The civil engineering division, added the document, would show "a most disappointing performance," but on the natural resources side Rockville had an excellent year and in manufacturing, Tactico, the cellular radio company produced outstanding results.

The board said it entered 1987 "in a confident mood despite difficult trading conditions in

certain markets."

Yesterday's share price fall came in the wake of confusion over a rapid sequence of announcements from Demerger and Hill Samuel, advisers to London and Northern. Demerger released a statement welcoming the majority recommendation, adding that "directors are greatly relieved by assurances delivered by Hill Samuel that L and N directors are not aware of any material adverse change which has occurred within the group."

Hill Samuel promptly replied that "no assurances whatsoever" had been made. The varying accounts appeared to relate to a telephone conversation late last night between Mr Peter Earl, a director of Inncorp Earl, which is advising Demerger, and Mr Richard Crick at Hill Samuel.

However, yesterday evening, Mr Earl said that the Demerger and its associates were comforted by the responsible state-

ment made by L and N directors in the document, that "information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information." He added that Demerger had made no approach to the Takeover Panel, seeking to vary the terms.

In addition, Mr Earl maintained that the underwriting of Demerger's cash alternative was firm. "We have just been doing a ring around and the mood is bullish," he commented.

In the document, L and N said it has been difficult for the board to satisfy itself that cash resources were available to implement the cash alternative in full. The document also mentioned that L and N had received a number of letters from shareholders saying they had accepted the Demerger terms in error.

See Lx

Argyll close to £36m Barton buy-out

By Martin Dickson

Argyll, the supermarket group, is expected to conclude a deal this week to sell Barton Brands, its US drinks distributor, for about \$55m (£36m) in a management buy-out led by Mr Ellis Goodman, who heads Barton.

Mr Goodman, who has been responsible for Barton ever since Argyll acquired it, already holds a 5 per cent equity stake in the business, with Argyll owning the remaining 95 per cent.

Argyll, which is in the process of buying Safeway Food Stores in the UK for £88m, is negotiating separately to sell George Morton, a wholesale distributor of drinks brands in the UK. This and Barton are together expected to realise about £50m.

Costs of establishing itself as a major international drinks business are too high in such a concentrated sector. Meanwhile, it announced yesterday that shareholders have taken up 96.6 per cent of the 194m shares it is issuing to pay for the Safeway deal. The remainder will be taken up by institutions with the shares were conditionally placed.

Argyll shareholders will meet this morning to approve the deal at an extraordinary general meeting, while the Government is also likely to announce whether or not the deal is being referred to the Monopolies Commission. If the Government's ruling did not come until next week this would involve Argyll in additional underwriting costs.

Lower orders at Futura

Futura Holdings, the Cheshire-based footwear manufacturer and distributor, forecast increased profits for the year to December 1986 but warned that the current order book was considerably less than in February of last year.

The directors stated that taxable profits of around £450,000 were expected for the last financial year—an increase of 10.5 per cent on 1985's £407,327. Futura's business is highly seasonal, usually resulting in low stocks at the year-end after satisfying orders from wholesalers and retailers.

F & C Eurotrust net assets up

F & C Eurotrust had a net asset value per share convertible at par of 312.9p at end-1986, compared with 220.3p a year earlier and 261.4p at end-June 1986. Convertible fully converted the figures are 278p, 187p and 223.6p respectively. Franked income for the six months totalled £21,800 (£23,800), and unfranked £299,700 (£152,300).

The directors said that net revenue received during the first half was not indicative of the total likely for the full year. Net attributable revenue came out at £10,000 compared with losses of £38,600, after a tax charge of £2,500 (£27,600 credit). Earnings per share improved to 0.85p (0.5p losses).

The company has changed its year-end to September, and a full interim report will be published at end-March.

Peachey Property's profit slips back 25% at midway

By Martin Dickson

Peachey Property Corporation saw pre-tax profit drop 25 per cent from £5.94m to £4.38m in the six months to December 31, 1986. As forecast in the last annual report, trading profit was lower—down from £2.58m to £1.07m—reflecting the disposal of predominantly commercial property.

Sir Charles Ball, chairman, reported that since June 24 last year there had been substantial purchases for development, investment and trading. The total cost of the acquisitions had been £32.3m, excluding future development costs.

Trading profit for the second half would be dependent on further sales yet to be arranged, but the pre-tax profit for the full year was expected to be close to the £10.4m recorded for the year ended June 24, 1986.

For the year as a whole, net rents, which rose £941,000 to £5.2m in the first half, would continue to increase, reflecting new purchases and rent reviews. Net property investment income—virtually unchanged, at £3.3m—was expected to be in excess of the £3.1m recorded in the previous year.

Good progress continued with the Carnaby Estate in London. The large unit in Carnaby Court has been let to Underwoods, the expanding chemists' chain, and interest in other units was being shown by multiple tenants.

After charges amounting to £1.53m (£2.27m), earnings per share ordinary share fell from 10.3p to 8.2p. The declared interim fell from 4p to 3.5p.

Peachey's shift out of residential and into commercial property

comment

Peachey's shift out of residential and into commercial property

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

comment

UK COMPANY NEWS

Glaxo plans share listing in New York and Tokyo

BY TONY JACKSON

GLAXO has announced that its shares are to be listed on the New York and Tokyo stock exchanges. The New York listing is expected by the end of the current financial year in June, Glaxo said. The Tokyo listing will probably come slightly later.

Although the move had been expected by the stock market, Glaxo's shares rose by more than 60p on the news before closing 23p higher at 1413p. In common with other pharmaceutical stocks such as Wellcome, Glaxo's shares have shown particular strength in recent weeks.

Glaxo has been traded in the form of ADRs in New York since the 1950s, but in un-

sured form. The listing, for which the Bank of New York will act as depositary bank and Shearson Lehman as advisers, will move trading from the over-the-counter Nasdaq market to the New York Stock Exchange.

US interest in the shares has come only in recent years with the strengthening of Glaxo's position in the US drug market. In June 1982 only 603,000 shares were held as ADRs, but by the end of 1985—the year which saw the US launch of the anti-ulcer drug Zantac—the figure had risen to 65m. Glaxo said the latest figure was 110m shares, or 14 per cent of the equity.

Investors expect that Glaxo will divulge more about its research pipeline ahead of the listing, beginning with a satellite linked meeting with investors on both sides of the Atlantic next Tuesday, followed by a tour by senior management around major US financial centres.

The Tokyo listing will make Glaxo one of only a handful of British companies quoted in Japan, others being British Telecom, Cable and Wireless, BTR and Barclays. US companies quoted in all three financial centres include Smith-Kline, Glaxo's biggest competitor in the anti-ulcer market, and Dow, the chemical and pharmaceutical group.

Brent buys out rival flexographic platemaker

By Janice Warren

Brent Chemicals International, the industrial chemicals producer, has secured 30 per cent of the UK flexographic platemaking market with the \$1.42m purchase of Manchester-based Sherwood Flexibles.

Brent's existing Winnetts Graphics subsidiary, bought two years ago, was market leader ahead of Sherwood in the supply of photopolymer and rubber plates to the flexographic printing industry. Mr Steve Cuthbert, chief executive of Brent, said the amalgamation of the two companies would allow them both to concentrate on research and development.

"Winnetts and Sherwood have pioneered flexographic platemaking—and it's a market which is growing rapidly." The two companies hope to present further challenges to the rival photopolymer method, which is both more expensive and slower, but produces colour in higher quality.

Sherwood is working on a system of photopolymer sleeves and rollers which would enable it to produce wallpaper—an area presently dominated by the offset lithography method.

"Our next step is to find a business in flexographic platemaking in Europe," said Mr Cuthbert.

Mr Cliff Forrest, Sherwood's production director, said that the acquisition would be beneficial for the companies and the industry. "We were having to look over our shoulders at what they were doing."

"We were always worried to find the time to do R and D. Now we can develop new ideas. The future looks tremendous."

Sherwood produced pre-tax profits in the year to November 30 1986 five times higher on 1985's at £250,000, from turnover of £1.27m. Net tangible assets were £27,000.

Brent produced interim pre-tax profits to June 30 1986 of £23.1m, up from £3.6m, on turnover of £27.9m.

Brent paid £1.42m on completion, with cash of £92,000 and the issue of 468,750 ordinary shares. The remaining £280,000 will be paid in two equal interest-free instalments.

The company is looking for further acquisitions, particularly in Europe and the printed circuit board industry.

Bid target Arncliffe returns to the black

A CONTINUING policy of reducing stakes and borrowings, and the successful introduction of a new range of more saleable and profitable dwellings, enabled Arncliffe Holdings, property developer and building contractor, to turn a £275,000 loss into profit of £252,000 in the year to October 31 1986.

Govett Strategic Investment Trust, the former Border and Investment Trust managed by Mr John Govett, last week made a £3.75m cash offer for Arncliffe.

Mr Manny Cusins, a former chairman of Arncliffe, and his family had earlier sold their 25.65 per cent stake in the company to Govett. Mr Frank Kershaw, a Sheffield solicitor and acquaintance of Mr Cusins, also sold his holdings of 351,500 (7.03 per cent) to Govett.

Yesterday Mr Cusins resigned as a director of Arncliffe on the grounds of health.

Arncliffe directors said that the company had made a very satisfactory turnaround. It had recovered from the most difficult period in its history and had established a firm base for a successful future.

There was 80 per cent liability to pay mainstream corporation tax (nil), but advance corporation tax of £32,676.

After payment of the advanced corporation tax, earnings per share emerged at 4.4p (5.6p loss). The proposed final dividend totalled 1.5p (0.1p) making a sum of 1.6p (0.1p) for the year.

Macarthy buys healthfood retailer Lifecycle for £1

By Janice Warren

Mr NICHOLAS WARD, a former Guinness executive who last year took the chair in a management shake-up at Macarthy, the wholesale and retail chemist, has beaten his own personal deadline by making his first acquisition within a year — for the nominal sum of £1.

Macarthy has bought the 38 shops and five franchises of the loss-making healthfood retailer, Lifecycle, which was set up under a Business Expansion Scheme in 1984. It is Macarthy's

first acquisition in nine years. Lifecycle has been trading at a loss, with its unaudited accounts showing an estimated turnover for the year to January 31, 1987 of £4.3m. But Mr Ward believes that it will benefit from integration within a year — for the nominal sum of £1.

Macarthy produced pre-tax profits for the 17 months to September 30 of £6.06m, compared with £4.06m for the previous 12 months.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corporation tax	Total	Total
American Electrom Int.	0.85p	Apr 13	0.35	—	0.88
Arncliffe Hldgs	1.6	—	0.1	1.6	0.1
Anglo-American Secs.	3.5	Apr 21	4.7	7	6.3
Becher Property Int.	4	Apr 27	2.5	—	9
Irish Glass	1	—	0.75	—	2.25
Thompson Int'l Tax Int.	1.5	—	1	—	4.25
Trust of Property Shrs	0.5	Apr 7	0.5	0.5	0.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. † Final dividend of 3.5p forecast.

Two acquisitions by Galliford

Galliford, industrial holding company with construction as its principal activity, has contracted to purchase two companies in exchange for shares.

For an initial £1.5m it is buying the Moore Scott group of brick factories, operating from Norwood, Cheltenham and Clarendon, Tels will be met by the issue of 1.8m shares in the year ending March 31 1986. The group made a pre-tax profit of £237,000; net assets were £853,000.

Depending on profits for the 15 months ending June 30 1987 there will be a deferred consideration to be satisfied in shares.

The other company being acquired is CE-ARTE Tiles, which supplies and fits all types of carpets from premises in Coventry. Consideration will be the issue of 725,000 shares which will be retained by the vendors.

In the year ended June 30 1986 CE-ARTE incurred a loss of £1,000 after charging special and non-recurring fees and retirement payments in favour of the vendors amounting to £139,600. Net assets were £146,000.

Trust of Property

The net asset value of Trust of Property Shares rose 88 per cent to 80.66p per share in the year to end-December 1986, reflecting the strong performance of the group's portfolio which includes most leading UK property companies.

The single dividend is increased to 0.5835p (0.5p). Gross income rose from £54,775 to £55,138. After expenses and interest payable of £8,423 (£8,304), taxable revenues increased to £49,763 (£46,072). Tax took £14,569 (£14,369) and earnings per share came out at 0.587p.

Cyril Smith sells to Ratcliffe

By Nigel Clark

MR CYRIL SMITH, Liberal MP for Rochdale, is selling his Smith Springs (Rochdale) business to F. S. Ratcliffe Industries. The Ratcliffe Springs subsidiary is paying a total of £185,000 cash and Mr Smith will be joining its board.

Smith Springs has annual sales of about £300,000, and at the end of 1986 the assets had a written-down book value of £110,000. The leasehold property is worth about £80,000 in excess of book value.

It is intended to move the Smith business to Ratcliffe's site in Rochdale in the near future and the Smith site will be sold. Mr Jerry Cragan, managing

director of Ratcliffe Springs, said the products of the companies were different but used similar technology.

The company said that the acquisition complemented its own high quality production capability in Rochdale and brought in important new contacts, particularly in the lighting industry which had been a significant part of Smith's turnover for 20 years.

Mr Smith holds a 40 per cent stake with the majority of the remaining shares held by his brother Mr Norman Smith.

Mr John Cowen, chairman of Ratcliffe Springs, said Mr Smith's appointment to the board gave added weight to the

concept of non-executive directors who are independent and able to make a real contribution.

He added that Mr Smith had once been production controller at Ratcliffe before leaving to set up his own business.

The acquisition is in line with Ratcliffe's policy of rationalising and modernising the fragmented springs industry. In October the company bought the spring-making interest of Automotive Products in a £1.3m deal, which doubled its size.

Mr Cragan added that the group was looking at other possible acquisitions in the same area.

Amari expands steel side through Baigent purchase

By David Thomas

AMARI, one of Europe's largest independent stockholders and distributors of metals and plastics, is acquiring most of Baigent, a private Sheffield-based steel processor, in a shares-and-cash deal worth about £90,000.

Amari says that Baigent and Bird will fit well with Stock Alloys, an international specialist in the stockholding and plasma cutting of stainless steel plate and bar products, which it acquired in December for £3m.

Amari is financing the acquisition by issuing 550,000 new ordinary shares, worth about £750,000, which will represent less than 2 per cent of the enlarged share capital. The remainder will be paid in cash.

Baigent & Bird reported pre-tax profits of £84,000 on sales of almost £3.5m in the year to end-March 1986. It had net assets then of £780,000.

Amari is buying the assets of Baigent & Bird involved in the plasma cutting of stainless steel plate, the sewing of stainless plate and the cutting of large diameter bar.

Jon Fisher, Amari managing director, said the acquisition showed the company was continuing to develop the value added areas of its business.

He added: "By combining

the strengths of Baigent & Bird, Stock Alloys and its existing plate activities, Amari achieves its aim of becoming a market leader in the distribution and processing of stainless steel plate."

Mr Derek Bird, Baigent managing director, is to continue as a consultant to the business after the Amari takeover.

Amari shares fell 5 to 144p.

Waterford sale

Waterford Glass Group has sold Smiths Self Motoring, car leasing company, to Smith Group for an undisclosed sum. Smith is repaying a £1.9m loan. In November Waterford sold Smith Group, Renault distributor in the Irish Republic, to Mr Bill Cullen.

IMAGE STORAGE/RETRIEVAL Systems, based in Delaware, has applied for permission to quote shares of its common stock on the United States Securities Market.

CULLINET SOFTWARE has agreed to acquire Distribution Management Systems, a software company based in Lexington, Massachusetts. By means of a prospectus, Cullinet is to offer 1.7m of common stock for DMS stock and options.

Authority Invs rises to £0.45m

Following a period of organisation, Authority Investments, investment holding company, reported interim profits by more than five times.

From turnover 62 per cent ahead at £3.01m (£1.57m) in the six months to the end of October 1986, pre-tax profit was £446,000 against £82,000. Earnings per share came at 8.65p (1.59p) but again no dividend is being paid.

Mr David Backhouse, chairman, said the results represented satisfactory progress which should continue into the present half year.

Since the beginning of August, when new management, led by Mr Backhouse, took over, borrowings have fallen by more than £4m from the sale of property divisions has been reorganised and a 75 per cent stake in Personal Storage Management acquired.

There was again no tax charge, but there was an extraordinary charge of £173,000 (nil), being the cost incurred on the issue of £3m convertible loan stock and the reorganisation of the company's share capital.

Mr Backhouse said that the strategy remained the reduction of gearing and development as an investment banking business.

American Can Company

(As Successor to American Can International Corporation)

4% Convertible Guaranteed Debentures Due 1987

In connection with the Indenture (the "Indenture") dated as of May 15, 1984 among American Can International Corporation, American Can Company (the "Company"), as Guarantor, and United States Trust Company of New York, as Trustee, as supplemented by the First Supplemental Indenture thereto dated as of September 30, 1984, the Company has declared a two-for-one stock split in the form of a 100% stock dividend to be distributed on the common stock of the Company, par value \$1.00 per share ("Common Stock"), payable on March 15, 1987 to holders of record on February 15, 1987.

Pursuant to the provisions of the Indenture, the conversion price of the above referenced issue has been adjusted, effective immediately after the close of business on February 15, 1987, to \$27.71 per share of Common Stock.

American Can Company
February 19, 1987

TO THE HOLDERS OF

SQUIBB INTERNATIONAL FINANCE N.V.

4% Subordinated Guaranteed Convertible Debentures due 1987

Pursuant to Section 3.06(b) of the Indenture (the "Indenture") dated as of May 15, 1984 among Squibb International Finance N.V., Squibb Corporation, Guarantor, and United States Trust Company of New York, as Trustee, as supplemented by the First Supplemental Indenture thereto dated as of September 30, 1984, the Company has declared a two-for-one stock split in the form of a 100% stock dividend to be distributed on the common stock of the Company, par value \$1.00 per share ("Common Stock"), payable on March 15, 1987 to holders of record on February 15, 1987.

Pursuant to the provisions of the Indenture, the conversion price of the above referenced issue has been adjusted, effective immediately after the close of business on February 15, 1987, to \$27.71 per share of Common Stock.

Squibb Corporation
February 19, 1987



BANQUE INDOSUEZ

U.S.\$150,000,000

Floating Rate Notes 1984-1999

NOTICE OF EARLY REDEMPTION

Noteholders are advised that, pursuant to the provisions of "Terms and Conditions of the Notes," Banque Indosuez has elected to redeem all outstanding Notes, in the numerical order from 1-15,000 inclusive, on the next interest payment date due March 24, 1987, at par. Consequently, on March 24, 1987, there will become due and payable upon each Note outstanding the principal amount thereof together with accrued interest to said date at the offices of any one of the paying agents named on the Notes.

Each Note called for redemption must be presented with all unmatured coupons. Interest will cease to accrue on all outstanding Notes on March 24, 1987.

BANQUE INDOSUEZ

96, Boulevard Haussmann, 75008 Paris

February 19, 1987



INVESTOR'S GUIDE TO THE STOCK MARKET

by Gordon Cummings

The "Big Bang" has brought changes that affect the strategy and market operations of private investors, both old hands and newcomers. Computerised investment trading and advice accentuate the need for D-I-Y research, knowledge, and share dealing to avoid becoming an impersonal cog in robot-controlled operations.

Completely revised and updated in the light of the "Big Bang", this edition is the essential handbook for those who manage their personal capital and savings in the stock market. The author, Gordon Cummings, a chartered accountant, draws on over 50 years' experience as an active investor, financial commentator and investment advisor to explain the workings of the stock market, and how to profit from it the D-I-Y way, as he has done successfully.

For the new or potential investor, it provides an invaluable introduction to the practices and procedures of the market; how to set up and manage an investment portfolio and how to make the best use of your capital.

Contents: 1. No mystique about the Stock Exchange 12. The changing market 2. Stocks and shares 13. Portfolio creation and management 3. The dealing business 14. Stock Exchange newcomers 4. Buying and selling 15. Other issues 5. Pensions and shares 16. Takeovers and mergers 6. Pensions and shares 17. Some specialised markets 7. Shares with a wage 18. Natural resources—a basic investment 8. Foreigners have a word for it 19. Going foreign 20. Investment and unit trusts 9. Certificates and loan stock priorities 21. Good watch prevents misfortune 10. Getting the preference 22. Those damned taxes 11. Sharing the equity 23. Investors' glossary—Index

Published November 1986

Please return to: The Marketing Dept., Financial Times Business Information, 102 Clerkenwell Road, London EC1M 6SA. Tel: 01-251 8323. Telex: 237700 (Fin Order Address Only).

Order Form

Please note payment must accompany order. Prices include postage and packing.

Please send me _____ copy/copies of INVESTOR'S GUIDE TO THE STOCK MARKET (213).

Please £5.00 & 50p or £12.50 & 17p overseas.

I enclose my cheque value £/US\$ _____ Made payable to FT Business Information.

I wish to pay by credit card (mark choice):

☐ Visa ☐ Access ☐ American Express ☐ Diners

Card No. _____

Card Expiry Date _____

☐ "I wish to order 5 or more copies. Please send me details of bulk order discounts."

Name _____

Address _____

Postcode _____ Country _____

Signature _____ Date _____

Please allow 28 days for delivery. Refunds are given on books returned in good condition and within 7 days of receipt.

Registered office: Stratford House, 10 Clarendon Street, London EC4A 3DF.

Registered in England No. 600592.

FT



WE, THE LIMBLESS, LOOK TO YOU FOR HELP

We come from both world wars. We come from Korea, Kenya, Malaysia, Aden, Cyprus, Ulster and from the Falklands.

Now, disabled, we must look to you for help. Please help by helping our Association. BLESMA looks after the limbless from all the Services. It helps to overcome the shock of losing arms, or legs or an eye. And, for the severely handicapped, it provides Residential Homes where they can live in peace and dignity.

Help the disabled by helping BLESMA. We promise you that not one penny of your donation will be wasted.

Give to those who gave—please

BLESMA

BRITISH LIMBLESS

EX-SERVICE MEN'S ASSOCIATION

This advertisement complies with the requirements of the Council of The Stock Exchange.



HALIFAX BUILDING SOCIETY

(Incorporated in England)

£100,000,000

10½ per cent. Notes 1997

The issue price of the Notes is 100% per cent. of their principal amount

The following have agreed to subscribe for the Notes:

Morgan Grenfell & Co. Limited

- | | |
|---------------------------------------|--|
| Credit Suisse First Boston Limited | Kleinwort Benson Limited |
| ANZ Merchant Bank Limited | Banque Bruxelles Lambert S.A. |
| Banque Nationale de Paris | Barclays de Zoete Wedd Limited |
| Baring Brothers & Co. Limited | County NatWest Capital Markets Limited |
| Credit Lyonnais | Daiwa Europe Limited |
| Deutsche Bank Capital Markets Limited | Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft |
| Hambros Bank Limited | Lloyds Merchant Bank Limited |
| IBJ International Limited | Mitsubishi Finance International Limited |
| Merrill Lynch Capital Markets | Notura International Limited |
| Morgan Guaranty Ltd | Standard Chartered Merchant Bank |
| Saudi International Bank | Union Bank of Switzerland (Securities) Limited |
| Al-Bank AL-AHDI AL-ALAMI LIMITED | |
| Tokai International Limited | |
| Westdeutsche Landesbank | |
| Girozentrale | |

Application has been made to the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") for the Notes to be admitted to the Official List.

Interest on the Notes will be payable annually in arrear on 3rd March of each year, commencing on 3rd March, 1988.

Particulars of the Notes and of the Society are available in the statistical services of Exel Statistical Services Limited. Listing Particulars for the Notes may be obtained during usual business hours up to and including 23rd February, 1987 from the Company Announcements Office of The Stock Exchange and up to 5th March, 1987 from the following:

- | | | |
|-------------------------------------|---------------------------|---------------------------|
| Morgan Grenfell Securities Limited, | Orion Royal Bank Limited, | Halifax Building Society, |
| 20 Finsbury Circus, | 1 London Wall, | Trinity Road, |
| London EC2M 7BB | London EC2Y 5JX | Halifax, |
| and The Stock Exchange | | West Yorkshire HX1 2RG |

19th February, 1987

UK COMPANY NEWS

Wilson Bowden set for debut

BY RICHARD TOMKINS

Wilson Bowden, the house-building and property development group, has issued a pathfinder prospectus for an offer for sale which will bring it to the stock market next month at a value of £70m to £85m.

The company is the Leicester-based parent of David Wilson Homes, one of Britain's largest privately-owned housebuilders, and Wilson Bowden Properties, a developer involved mainly in business park schemes and high street retail property.

The largest part of the business is the housebuilding side, which now accounts for nearly 80 per cent of group operating profits. It has spread from its Leicester base to cover 14 counties in the East Midlands, South Midlands, and the south.

This part of the business is continuing to expand geographically but the directors say they do not intend to become

involved in the south-east because land prices there are unduly high.

Wilson Bowden Properties, the development side, operates throughout much of England from its head office in Leicester and other bases in Portsmouth and Brentwood. Its biggest scheme so far has been at Meridian Business Park near Leicester, where it has developed 40 per cent of the 72-acre site.

The pathfinder shows overall pre-tax profits for the group rising from £3.5m to £8.3m over the five years to last December, on turnover up from £24.1m to £56m. There is no forecast for the current year but indications are said to be encouraging.

The offer for sale will be sponsored by Schroders with James Capel as stockbroker.

First half surge at American Electronic

AN UPSURGE in half-way profits from £535,000 to £1.5m has been achieved by American Electronic Components, the USM-quoted maker of switch and relay mechanisms. Turnover trebled to £10.93m.

Results covered the six months to end December 1986 and included recent acquisitions Electromat and Alliance Plastics for the full period and Leader Wire from November.

The company's manufacturing activities are carried out through subsidiaries in the US. It also has investments in the oil and gas industry there.

The directors stated that Leader Wire, which made electrical wire harnesses for the automobile and medical industries, would take over much of the wire work being processed by Ditrakool and Electromat, resulting in significant cost reductions.

With the US automobile industry moving away from mass assembly, and more towards assembly, there was opportunity for the group to evolve as a sub-assembly supplier with greater value added per sales dollar, they said.

The recently-formed automotive products group, with

direct sales offices in Detroit, had generated several new product programmes which would materialise in sales for the years 1988 to 1990.

They reported that each production division enjoyed a strong order book and the company was beginning to see the benefit of the increased marketing expenditure.

After tax £184,000 (£38,000) earnings for the half year came to 1.5p (0.75p). They were again depressed by the decline in the value of the dollar against sterling. The interim dividend is held at 0.35p net.

A-American Secs.

With earnings rising from 6.55p to 8.4p per share, Anglo-American Securities Corporation is lifting its dividend from 6.2p to 7p net for 1986. The final is 5.5p.

Net asset value was shown to be 108p, up from 49p at September and from 88p at the end of 1985.

Franked investment income rose by £1m to £4.83m, while unfranked slipped a little to £2.82m (£2.3m). Net interest payable was cut to £273,000 (£306,000).

Hobsons Publishing flotation worth £5.5m

By Richard Tomkins

Hobsons Publishing, a leading specialist in educational publishing, is coming to the stock market through a placing which will give it a market capitalisation of £5.5m. Rowe and Pitman are placing 690,000 shares, or 40 per cent of the enlarged equity, at 250p a share.

The company has three divisions which contribute roughly equally to turnover. One produces textbooks and guides for students, another publishes trade directories, and the third offers a publishing consultancy service to clients who want to communicate with students or other specific groups.

Hobsons says that because of the rapid pace of economic and technical change in the UK over the last few years, a gap has arisen between the requirements of industry and the skills produced by the country's educational and training system. Its products are aimed at bridging this gap.

Pre-tax profits have risen from £1,000 in 1983 to £207,000 in the year to last December on turnover up from £1.5m to £7.7m. There is no profit forecast, so the shares are being sold on an historic price/earnings ratio of 16 times after an annual 35.5 per cent tax charge.

The company says a listing will enhance its status and give it more flexibility for financing future acquisitions. Of the shares being sold, 690,000 will come from existing shareholders — nearly 440,000 of them from Mr Adrian Bridgewater, the 50-year-old chairman and managing director, who will therefore receive £1.1m from the flotation.

Yearlings £2.25m

Yearling bonds totalling £2.25m at 10 1/2 per cent, redeemable on February 24 1988, have been issued by the following local authorities: Cardiff (City of) £1m; Greater Manchester Passenger Transport Executive £0.5m; Northavon District Council £0.25m; Dorset District Council £0.5m.

Executive posts at NatWest

Mr John Tugwell has been appointed general manager of NATIONAL WESTMINSTER BANK's business development division, succeeding Mr Terry Green, who becomes a deputy group chief executive from July 1.

Mr Tugwell has been president and regional general manager, North America, based in New York, since 1984. Other senior appointments are: Mr Malcolm Fall to be deputy general manager of international banking division; Mr Ian Farnsworth, senior international executive, UK finance and marketing, will succeed Mr Fall as assistant general manager, international banking division; Mr Frank Leeson, speaker of the Westminster Bank, becomes president and regional general manager, North America.

Mr Norman Parker, group managing director of HENDERSON, has been advised on medical grounds that he should relinquish his responsibilities and has resigned. Mr Tom Dodd and Mr Angus Clark have been appointed joint managing directors, both retaining their divisional responsibilities. Mr Dodd will also be responsible for the management of the security division.

Mr Eric Varley has been appointed a regional director of the North & East Midlands regional board of LLOYDS BANK. He is executive chairman of the Coalite Group.

BRIDON has appointed Mr A. C. Beydell as company secretary. He was secretary of Freshbrook Foods Group, and replaces Mr R. C. Ambrose, who has retired through ill health.

Mr Jean Adam, a director of Kreditbank SA, Luxembourg, and of Brown Shipley Holdings, has been appointed to the board of BROWN SHIPLEY INSURANCE GROUP MANAGEMENT. Mr David Willis has been appointed a director of Brown Shipley and Co. and managing director of Brown Shipley Developments.

AUSTRALIA AND NEW ZEALAND BANKING GROUP has appointed Mr Michael Valentine to the newly formed post of executive director private banking, with responsibility for the development of global private banking. He was executive director of the group's business in continental Europe. Mr Roland Isherwood becomes general manager UK and Europe with responsibility for the group's business in Europe including offices in France, Germany, Switzerland, Greece, Italy and Spain in addition to his responsibility for the group's business in the UK.

DEWE ROGERSON has appointed Mr Michael Heman and Ms Cathy Walker as directors of Dewe Rogerson Ltd. Mr Maurice Colton and Mr Michael Walsh have been appointed directors of the holding company.

Mr John Capland has been appointed director of sales and marketing at the OLD COURSE

pany. Mr Colton has been with Dewe Rogerson since 1978 and is director in charge of the investor and corporate relations division. Mr Walsh, finance director, joined in 1973.

Mr John A. Bennett has been appointed branch manager of SAUDI AMERICAN BANK in London. He has been the bank's London representative for the past three years. Other senior appointments include: Mr Martin R. Morris, treasurer; Mr Eric Dorrington, senior operations officer; and Mr Stephen Dabner, financial controller.

RUSH & TOMPKINS GROUP has made appointments to the board of its UK construction subsidiary. Chairman of the new board is Mr Bob Nickalls with Mr Andy Costelloe as deputy chairman. The other board members are local directors Mr Peter Coleman, Mr Eric Goldie, Mr Jim Barker, Mr Ken Patton, Mr Mike Smadell and Mr David Watson. Mr Nickalls and Mr Costelloe are also group board directors and Mr Smadell is the group secretary.

Chairman of B. Elliott

Mr Michael Frye will succeed Mr Mark Russell as non-executive chairman of B. ELLIOTT on April 1. Mr Frye, a director since 1974, is the son of Mr Russell's predecessor, Mr Jack Frye, and the grandson of the founder of the company. He is chairman of Rotaflex. Mr Russell will remain as a consultant to the company and as chairman of the group's pension trustee company.

Mr Justin M. Whitehorn has been appointed group finance director of CLARES EQUIPMENT. He has held several posts with the Wilkinson Sword Group including finance director UK shaving, and group treasurer.

Mr Graham Williams has been appointed an associate partner of PROJECT MANAGEMENT INTERNATIONAL. He is project manager on the Brighton Hotel and Civic Offices Development, which includes offices, shops, car park, a civic square and the new five star Ramada Renaissance Hotel — due to open in September.

HARRISON INDUSTRIES has appointed Mr Jean-Claude Canari as a director. He has been with the French subsidiary for nearly ten years.

WALTER LAWRENCE PROJECT MANAGEMENT has appointed Mr Tina Linton as a director. He joins from Bayer UK and will be concentrating on increasing Walter Lawrence's presence in the pharmaceutical and chemical construction market.

Mr Robin Capland has been appointed director of sales and marketing at the OLD COURSE

GOLF AND COUNTRY CLUB, St Andrews

Mr Bob Goodall has joined INCHCAPE as group personnel director. He was with Marck Inc. in New Jersey where he was director of human resource planning and development.

HARRIS QUEENSWAY has appointed Mr Hugh Parker as a non-executive director. He was managing director of McKinsey & Co. in the UK and holds a number of other directorships.

NRG LONDON REINSURANCE CO. a company in the Netherlands Reinsurance Group, has appointed to the board Professor Leslie Hannah, director of the business unit of the London School of Economics and visiting professor of Harvard Business School. Mr Jean-Jacques Debrat, previously general manager of NRG Antilean Reinsurance Company, has been appointed assistant general manager.

Mrs C. P. Kuan has been appointed to the boards of MAY FLOWER HOLDINGS and MAY FLOWER GROUP.

LAPORTE INDUSTRIES (HOLDINGS) has appointed Mr George Duncan as a non-executive director. He is a director of a number of companies including Lloyds Bank and B&I.

Mr Dennis W. Allen has been appointed to the board of JOHN BROWN at the finance director of the John Brown division of the John Brown Construction Holdings. He was finance director of Thorne EMI Ferguson.

Mr Frank Hayes and Mr Crispin Barker have been appointed directors of NMC INVESTMENTS. Mr Hayes is former chairman of Bewater Packing. Mr Barker is former chairman of the Barker Group which NMC acquired last year.

BRITISH SYMPHON INDUSTRIES has appointed Mr Hugh Hayes as divisional managing director, responsible for BSI's smaller businesses division, manufacturing of Oldham Batteries, a subsidiary of Hawker Siddeley Group. Mr David Turner has been appointed company secretary of BSI and its subsidiaries. He was deputy company secretary of Rugby Portland Cement, and will take over from Mr Tony Searns who has been undertaking these additional duties since his appointment as group finance director last year.

Mr Geoffrey R. Warren has been appointed group head — new products, at R. F. MARTIN, with responsibility for the management and development of the group's off-balance sheet activities in the UK and overseas. He joins from Midland Bank group treasury where he was head of the financial engineering group.

CONTRACTS

Battery plant in Bulgaria

CHLORIDE has been awarded a £3.92m contract to supply battery making plant and equipment to Balkancar of Bulgaria. The equipment will be an essential part of the modernisation of Balkancar's fork lift truck battery factories at Pazardjik and Targovishte. The contract was won by the International Projects Division of Chloride Technical, a UK subsidiary of Chloride Group.

NOBLE & LUND, the Gateshead based manufacturers of specialist heavy machine tools, has been

awarded a £3.7m contract with an agency of the Egyptian Government. The contract involves the construction of two of the largest computer controlled machining centres in the world. Each is 56 ft in length and they will both be entirely computer controlled. As a result of this order, 30 new jobs will be created.

NEI POWER PROJECTS has been awarded contracts worth nearly £5m for the supply of a 50 tonne/hour coal-fired boiler

and associated fuel handling plant for installation at the British Sugar Corporation's Canteley factory, near Norwich. The contracts have been awarded on a part turnkey basis and include demolition of existing plant, full civil works, construction and engineering design of the electrical distribution system associated with the new boiler and a 13 MW turbine generator. The boiler will be equipped with an L-type travelling grate stoker manufactured by NEI International Combustion at Derby. The duration of the project is about 18 months.

A container glass furnace is to be built by KING, TAUBERT & GREGSON to higher efficiency specifications. Under the £2.3m contract KTG will reconstruct and enlarge an end-fired regenerative furnace at the Wigan plant of CWG. The key to its efficiency is a new double pass regenerator, with high efficiency packings, which is expected to reduce the furnace's overall fuel consumption by 15 per cent. The independent secondary regenerator, with ejector stack, replaces the existing furnace. KTG is also responsible for management of civil works, supply of all materials and equipment, and complete installation and commissioning. Work on site will take three months starting in April.

OCEAN TRANSPORT & TRADING has won a five-year distribution contract with J. Sainsbury. Ocean subsidiary, McGregor Cory Warehousing (MCW), will distribute a wide range of groceries and perishable goods to Sainsbury supermarkets in the East Midlands from a 250,000 sq ft warehouse incorporating four levels of temperature control. The deal will involve a £3m capital commitment to warehouse premises, vehicles and equipment.

MATTHEW HALL ENGINEERING (SOUTHAMPTON) has been awarded a contract, valued at about £3m for engineering design, procurement and construction management services associated with the modernisation of the BP Oil Hamble terminal. The project provides for seven bottom loading gantries with associated pumps, pipework, derrick filling units, vehicle washing facilities and bulk additive systems. The work also incorporates sophisticated microprocessor control and modifications to site entrance and roadways. Completion is planned for the third quarter of 1987.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unempl.	Vacs.
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0
3rd qtr.	100.3	100.9	104	116.1	145.2	2.124	164.4
4th qtr.	100.4	103.6	106	116.7	177.7	3.122	168.2
1986							
1st qtr.	100.1	102.8	105	118.2	145.4	2.171	166.5
2nd qtr.	100.3	103.5	105	120.0	152.7	2.208	175.6
3rd qtr.	110.6	104.6	107	122.1	157.4	2.212	206.2
4th qtr.	109.6	105.6	107	124.8	182.5	2.145	213.9
June	107.7	103.4	106	121.7	155.4	2.223	184.4
July	110.2	104.5	103	126.5	158.2	2.219	201.1
August	111.1	104.2	103	122.2	158.7	2.193	206.4
September	110.5	103.9	113	123.2	164.7	2.165	212.2
October	109.7	105.1	106	122.4	182.1	2.145	213.3
November	109.7	105.6	106	125.0	223.2	2.119	216.9
December	109.8	106.0	106	125.0	223.2	2.119	216.9
1987				121.7		2.119	216.9

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Investment goods	Intermediate goods	Eng. output	Metal mfg.	Textiles	Housing starts
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0
3rd qtr.	104.3	102.5	113.1	103.6	118.2	102.2	17.3
4th qtr.	103.7	102.7	113.5	103.3	119.0	102.4	15.6
1986							
1st qtr.	103.0	101.4	115.4	101.4	119.3	102.6	14.2
2nd qtr.	104.4	100.6	115.5	102.0	119.0	103.4	15.8
3rd qtr.	105.7	101.2	117.2	103.1	107.7	105.2	15.2
4th qtr.	107.1	101.1	114.5	103.0	116.1	104.0	21.5
June	104.4	100.2	112.6	101.0	111.0	104.0	21.5
July	105.4	101.3	116.5	103.0	109.0	101.6	20.8
August	105.8	100.3	118.5	102.8	107.0	103.0	19.4
September	105.9	101.9	116.7	104.0	107.0	102.0	20.5
October	105.1	101.2	115.0	104.0	107.0	102.0	15.4
November	105.1	100.5	114.7	104.0	117.0	102.0	9.7
December	107.0	101.3	113.5	105.0	119.0	102.0	9.7

EXTERNAL TRADE—Indices of export and import volume (1980=100); value balance (£m); current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

	Export volume	Import volume	Value balance	Current balance	Oil balance	Terms of trade	Reserve
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0
3rd qtr.	116.3	124.1	-449	+1,445	+1,900	100.3	14.15
4th qtr.	116.9	127.9	-253	+684	+1,693	101.6	15.54
1986							
1st qtr.	116.9	125.7	-1,437	+578	+1,825	101.9	15.75
2nd qtr.	121.6	125.6	-1,579	+275	+1,590	102.3	19.20
3rd qtr.	123.3	128.1	-1,633	+631	+1,598	102.3	20.14
4th qtr.	123.8	143.3	-2,629	-229	+778	101.3	21.57
June	126.3	134.9	-326	+115	+240	102.3	19.65
July	117.0	142.9	-1,514	-763	+189	102.5	22.42
August	124.5	138.5	-835	-134	+268	102.5	21.89
September	121.5	146.8	-835	-134	+268	102.5	21.89
October	121.5	146.8	-835	-134	+268	102.5	21.89
November	121.5	146.8	-835	-134	+268	102.5	21.89
December	121.5	146.8	-835	-134	+268	102.5	21.89
1987							21.95

FINANCIAL—Money supply M0, M1 and sterling M3 (three months' growth at annual rate); bank lending to private sector; building societies' net inflow; HPI, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0	M1	M3	Bank lending	Building societies	HPI	New credit	Base rate
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4th qtr.	2.9	17.0	22.9	+5,378	2,399	3,436	11.50	
1986								
1st qtr.	4.1	21.4	29.3	+6,293	2,399	3,436	11.50	
2nd qtr.	3.1	26.1	37.4	+6,450	1,433	7,738	10.00	
3rd qtr.	5.9	30.7	43.6	+6,438	1,68	8,223	10.00	
4th qtr.	7.9	34.3	48.6	+10,144	8,314	8,314	11.00	
June	2.1	28.7	31.5	+5,461	177	2,613	10.00	
July	8.4	35.8	49.9	+3,779	397	2,635	10.00	
August	8.7	38.6	53	+2,715	482	2,668	10.00	
September	8.5	34.4	47.7	+1,944	-671	2,976	10.00	
October	6.8	38.5	44.1	+3,549	1,861	7,750	11.00	
November	6.4	37.5	44.4	+3,910	1,86	5,235	11.00	
December	11.1	-1.3	4.5	+5,685	705	2,907	11.00	
1987								11.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1975=100); Reuters commodity index (Sept 1981=100); trade weighted value of sterling (1975=100).

	Earnings	Basic materials	Wholesale mfg.	RPI	Food	Renters' condy.	Starling
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0
4th qtr.	179.9	128.6	141.4	276.1	237.4	1,771	79.5
1986							
1st qtr.	179.1	128.4	143.4	280.8	242.3	1,813	75.1
2nd qtr.	184.6	125.6	145.7	283.7	249.5	1,453	76.1
3rd qtr.	187.4	126.5	146.5	286.1	248.1	1,444	71.9
4th qtr.	191.6	127.4	147.9	291.9	248.3	1,657	68.5
June	187.9	119.8	146.0	284.7	247.4	1,480	74.9
July	187.3	120.5	146.3	285.9	248.4	1,481	71.4

Scottish Life Investments

Units	802	33.4	-	1
	243.1	17.5	+19	2
	257.8	28.9	+10	3

Corp. Act.	25.4	
S. Act.	423.4	
A.F. Act.	299.4	
Indemnity	130.0	

PROTEUS

Deerhurst Rd, Beaconsfield, 1200 2001
Fuel Acc 131.6 130.4 +0.2

Fd.	386.68	407.04	20%
Income Fd.	340.89	379.79	20%
Wide Growth Fd.	351.92	370.45	20%
1 Fd.	344.70	362.22	20%

Food & Recry Fd	431.30	434.00	
Monology Fd	343.58	361.67	

[illegible]

AUTHORISED UNIT TRUST & INSURANCES

[illegible]

J. Henry Schroder Wagg & Co Ltd		Warburg Lav Wingat (Isle of Man)	
120 Cheapside, London EC2	01-382 6000	1 Thomas Street, Douglas, Isle of Man,	
Am in Tst Jan 14	538.53	Mert told Fund	97.4
Cheapside Feb 13	511.88		

[illegible]

Canada's	Cash 1976	+0.00%	3.82
Eco	Fund 1976	+0.00%	6.27
US Managed	675.849 26.403	-0.00%	12.39
Marling Managed	675.5604 13.797	+0.00%	15.05

Strategic Metals Corp pic Metal Funds

Charities Aid Fund Money Mng

[illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible]

Option	Delta	Gamma	Theta	Vega	Rho	Price
Call	0.5000	0.0350	-0.0150	0.0200	0.5000	100.00
Put	-0.5000	-0.0350	0.0150	0.0200	-0.5000	100.00
Call	0.2500	0.0175	-0.0075	0.0100	0.2500	100.00
Put	-0.2500	-0.0175	0.0075	0.0100	-0.2500	100.00
Call	0.7500	0.0175	-0.0075	0.0100	0.7500	100.00
Put	-0.7500	-0.0175	0.0075	0.0100	-0.7500	100.00
Call	0.1000	0.0035	-0.0015	0.0020	0.1000	100.00
Put	-0.1000	-0.0035	0.0015	0.0020	-0.1000	100.00
Call	0.9000	0.0035	-0.0015	0.0020	0.9000	100.00
Put	-0.9000	-0.0035	0.0015	0.0020	-0.9000	100.00

1. *Journal of the American Medical Association*, 2000; 283: 2689-2695.

COMMODITIES AND AGRICULTURE

LONG BEFORE the giant Carajas iron ore mine in northern Brazil started up a year ago, there were dire warnings that the market could not support the weight of material it would produce.

The forecasters could not have anticipated how soon they would be proved right. The first shipments from Carajas have coincided with a sudden and shockingly large fall in demand from the Japanese steel industry, the world's largest iron ore importer.

As a result this year's annual price negotiations between Japanese steel companies and their suppliers have turned out to be the toughest for many years. They are going so badly that the producers have been driven to send joint appeals to their customers in Japan, and in the EEC, for talks about the industry's future.

A measure of the seriousness of the miners' position is that last of the five signatories of their appeal letters is Mr Raymond Mascarenhas, president of CVRD, the Brazilian state-owned company which owns Carajas. The others are the chief executives of BHP Iron Ore and Hamersley Iron, Australia's leading producers, LKAB of Sweden and MBR, Brazil's number two producer.

"We... are extremely concerned about the outlook facing the world iron and steel industries," say the five. They talk of a potential "fundamental destabilisation of the world iron ore industry" and the "repercussions of a spirit of mutual trust."

The miners and their customers negotiate contracts separately, often in great secrecy. But prices agreed with the Japanese steelmakers, who account for 35 per cent of world iron ore imports, tend to set the pattern for other countries. The Japanese have secured prices cut in three out of the last four years.

The rise of the yen against the dollar has brought the market to breaking point by hitting Japanese steel exports and forcing closures. Japanese steel output fell 6.7 per cent last year and is forecast to fall by about the same again this year. Mr Yutaka Takeda, president of the Japan Iron and Steel Federation, said recently that the "severe business climate" was likely to continue.

Mr John Ralph, chief executive of CVRD, the Australian group which owns Hamersley Iron, says: "The negotiations this year are obviously more critical (than in previous years). The Japanese steel industry predicts losses of ¥180bn for the year to April."

As a result, the Japanese steelmakers are said to be demanding a price cut of perhaps 10 per cent in US dollars. The producers, arguing that the depreciation of the dollar over the past 18 months automatically reduces their returns, are desperately trying to hold prices unchanged. Sydney

Stephan Wagstyl on the plight of iron ore miners



Mr John Ralph... price negotiations "critical"

RAW STEEL PRODUCTION (million tonnes)		
	1986	1985
Western world	98.3	-1.6
Japan	73.8	-1.9
US	37.8	-0.4
W. Germany	22.9	-4.2
France	17.9	-4.8
UK	14.8	-5.8
Spain	12.0	-15.3
Commonwealth	160.0	+3.4
Soviet Union	51.9	+11.1
Poland	17.4	+9.8
Yugoslavia	5.3	+17.6
Developing world	21.2	+3.8
South Korea	14.6	+7.5
India	1.9	+1.9
Turkey	6.8	+2.3
Yugoslavia	3.5	+13.5

Source: International Iron and Steel Institute



Mr Raymond Mascarenhas... signed the appeal

Producers seek customers' mercy as demand plunges

stockbroker Potts West Trumbull believes a 5.5 per cent cut is on the way.

The shape of the \$10bn-plus world iron ore market has changed greatly in the past 20 years. Industrialised countries have been driven to look farther and farther afield for iron ore supplies. Brazil and Australia have become the dominant exporters, with India, Canada, South Africa and Sweden.

Europe imports a greater proportion of its ore than 20 years ago. Even the US, which is largely self-sufficient, imports increasing amounts of ore, especially from Canada. But the Pacific has seen the most dramatic developments. First there was the expansion of Australian production from the iron mountains of northern Western Australia to supply the steelmakers of the Far East. Then Australia's domination of the Japanese and other markets was eroded by Brazil and India.

Mr John Ralph, chief executive of CVRD, the Australian group which owns Hamersley Iron, says: "The negotiations this year are obviously more critical (than in previous years). The Japanese steel industry predicts losses of ¥180bn for the year to April."

As a result, the Japanese steelmakers are said to be demanding a price cut of perhaps 10 per cent in US dollars. The producers, arguing that the depreciation of the dollar over the past 18 months automatically reduces their returns, are desperately trying to hold prices unchanged. Sydney

in world production, including communist countries, which dropped 4 per cent to 896m tonnes, according to the Association of Iron Ore Exporting Countries.

Until last year the effect of weakening demand on the important miners was masked by the depreciation of their currencies against the US dollar, as the chart above shows. BHP, Australia's largest iron producer, and CRA made record profits from iron ore in the years to May 1986 and December 1985 respectively.

CVRD, with the benefit of a weak cruzeiro, made a record Crs 3,576bn net in 1985 (about £240m at the end-year exchange rate).

The falling US dollar has tightened the screw. Only a continuing fall in their own currencies could give the producers a little more breathing space. But for the Australians, at least, whose dollar has lost more than 40 per cent of its value since 1981, that might be too much to hope for.

Partly, this is the result of a fall in freight costs in the 1980s which have made it economical to ship ore long distances. Partly too, the Japanese seem to have deliberately encouraged new suppliers to come forward. The Australian share of the Japanese market has dropped from over 60 per cent to under 40 per cent last year.

Australia has had its successes notably in China. But overall Australian exports dropped 7 per cent to \$2.9m tonnes and could fall further in 1987.

OECD blames price support for world farming crisis

By Peter Montagnon, World Trade Editor

REFORM OF international trade in agriculture has always been one of the most difficult and vital elements of the new round of multilateral talks on trade liberalisation which has just got under way at the General Agreement on Tariffs and Trade in Geneva.

Now, with a considerable memorandum to member governments, Mr Jean-Claude Paye, Secretary General of the Organisation for Economic Co-operation and Development (OECD), has made it clear just how difficult and how urgent the task of reforming farm trade really is.

The document is bound to prove controversial with some OECD member governments, not least because of its strong language which describes international trade in agriculture as "bordering on the absurd."

Yet the analysis it contains is also likely to provide a further impetus to the push for agricultural reform launched by President Ronald Reagan and US Prime Minister Margaret Thatcher at last year's Tokyo summit. In essence Mr Paye argues that such reform has become ineluctable.

He starts out from the premise that OECD demand is virtually flat and likely to remain so even in the face of falling prices. Consumption within the OECD area is set to rise at less than 1 per cent a year, he says, and is not likely to be large enough to restore profitability to all producers or, in some cases, even to cover cash costs.

Yet supply is continuing to

grow some two to three times faster than demand. Action taken by governments to adjust production has simply not been adequate, he says. Governments have set "virtually irreconcilable objectives" for their agricultural policies.

Mr Paye suggests that income support through producer prices is the main cause of the present crisis facing world agriculture. "Guaranteed prices, in spite of a more cautious approach in the last few years, are still too high almost everywhere to restore market balance on their own."

Budget spending on agriculture has reached "alarming" levels, he says, having more than doubled since the start of this decade. In some cases it represents as much as a quarter of the value of final production and nearly half the agricultural gross value added.

On top of this comes the cost to consumers of excessive prices, which is in much the same order as the burden of public spending. "There are better things to do, with the consumers' and taxpayers' money," than to finance the production of commodities that can only go into storage and then be sold off cheaply.

Restoring market equilibrium rests crucially on cuts in supply linked to a reduction in government support for farmers. The effect of this could be mitigated by more stringent efforts on the part of farmers themselves to cut their costs, though small farmers and those working in difficult conditions may also need direct

Australian Minister for Minerals and Energy, says that a visit he led to Brazil last year convinced a delegation of managers and union leaders that Brazilian mines were the equal of those in Australia.

"They thought it was just a matter of soft currency," they were wrong," Australian producers argue that competitive pressures ought to force some other iron ore miners to close down. They claim in particular that state-owned operators in Africa and Latin America are uncompetitive.

There have been capacity cuts in Canada and in the US, which is likely to become a substantial importer in time. But this has not been enough. With Carajas building up to full production, CVRD will need to increase total exports from 70m tonnes in 1986 to 80m tonnes or more over the next 10 years.

With a flat outlook for world steel production, iron ore producers can hope for little increase in demand to absorb the new production. With considerable anxiety for their future, they have turned to their customers for talks. Given the losses and cuts European and more recently Japanese steelmakers have suffered they are unlikely to get a sympathetic response.

The industry's fate is in its own hands. "What the industry needs now is a contraction of supply," commented one Australian executive. "Some producers should be cut out of the market. But it's not us."

income support. Mr Paye notes that governments have generally been reluctant to undertake such a course of action, but he points out that the bulk of farm output is concentrated among a minority of large scale producers. The budgetary economies which would result from a reduction of support linked to production would easily suffice to finance the compensation for the loss of farming income suffered by the small producers.

A key element would remain, however, gradual and concerted reduction of the support given to agricultural production. Studies carried out by the OECD show that a 10 per cent reduction in agricultural support would result from a reduction of support linked to production, a slight increase in consumption and, for several products, a rise in world prices which, in terms of farm incomes, would practically compensate for the fall in production.

Unless rapid progress is made in this direction, the situation promises only to deteriorate, he says.

Competition will not then be between the agriculture sectors of different countries, but between their public financial resources. The consequences of this would be, first, to deprive farmers of the subsidies that are so sorely needed for modernisation and economic adjustment, and secondly, to render even more painful the inescapable task of adapting the agricultural sector in the future."

Furlong, "I think soybean

future has done more business than wheat futures." This also reflects the sharp decline in soybean futures business, however. January volume plummeted 41 per cent from 1986 levels to 434,948, while the number of options traded also tumbled by a more modest 16 per cent.

Traders and analysts are accordingly divided in their views of the prospects for the new options.

"The general consensus is that they won't do a lot of business at first but will pick up over the first six months," says Geldermann's Mr John

LONDON MARKETS

THE CONTINUING slide in coffee prices took London futures values to 52-month lows at one time yesterday. Increasing pessimism about the prospects for an early re-introduction of International Coffee Agreement export quotas—suspended a year ago when prices were high—plus reports of "aggressive" Brazilian sales of coffee bought in Europe last autumn in an attempt to prop up the market, pushed the May position on the London robusta futures market down to \$1.10 a tonne before it rallied on profit-taking buying to close at \$1.453 a tonne, down \$1.50 on the day. That was the fourth successive daily fall and took the aggregate decline above the \$100 mark. Cocoa futures were also depressed, with the May position finishing the day \$15 down at \$1,328.50 a tonne, close to a seven-month low. Traders attributed the fall to hedging against the fall in Ghanaian current crop sales and the prospect of such sales by the Ivory Coast. The decline was cushioned, however, by manufacturer buying at the lows and reports of insufficient rains in Brazilian growing regions.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

COPPER

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

LEAD

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

ZINC

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

NICKEL

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

GOLD

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

SILVER

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

SOYABEAN MEAL

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

RUBBER

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

INDICES

	1986	1985	1984
REUTERS	1694.6	1608.6	1595.6
DOW JONES	114.12	114.12	114.12

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

MAIN PRICE CHANGES

	Feb 18 + or -	High/Low
Aluminium	+0.05	918.5-919.5
Copper	+0.05	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

COFFEE

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

COCOA

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

COTTON

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

WHEAT

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

BARLEY

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

RICE

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

SUGAR

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

FLOUR

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

OILS

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

FATS

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

FIBRE

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

HIDE

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

SKIN

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

HORN

	Unofficial + or -	High/Low
March	918.5-919.5	918.5-919.5
3 months	918.5-919.5	918.5-919.5

Official closing (am): Cash 920.5 (918.5), three months 920.5 (918.5), settlement 920.5 (918.5). Final turnover: 2,126 tonnes.

US MARKETS

EARLY COMMISSION house selling in gold futures took the market through the support level at \$393.00, basis April, touching off steps before trade support emerged at the lows forcing the market to remain in a tight range for the rest of the day, reports Drexel Burnham Lambert.

Silver futures tended to follow gold, while in platinum futures the action exactly mirrored gold, with short-covering late in the session. A combination of lower physical stocks, reported production cut-backs and seasonal price support promoted heavy mixed buying in copper futures which was

EUROPEAN OPTIONS EXCHANGE

	Feb 87	May 87	Aug 87
--	--------	--------	--------

GOLD	3380	94	12A	6	26	—	—	—	—
GOLD	3390	110	15	226	18	—	—	—	—
GOLD	3400	51	1	157	17	10	22	50	—
GOLD	3410	—	—	333	17	81	—	—	—
GOLD	3420	—	—	314	3.20	103	9.50	—	—
GOLD	3430	—	—	260	20	170	6	—	—
GOLD	3440	—	—	20	2.90	45	8.30	—	—
GOLD	3450	—	—	4	—	—	—	—	—
GOLD	3460	—	—	—	—	25	1.30	—	—
GOLD	3470	—	—	220	8.50	114	10	—	—
GOLD	3480	104	28	10	10	13	—	—	—
GOLD	3490	70	10	22	16	—	—	—	—
GOLD	3500	43	29	3	308	—	—	—	—

		Mar 87	Jun 87	Seq 87	
SFL C	FL306		100	10,508	
SFL C	FL313	102	15		FL316.A1
SFL C	FL320	15	140		"
SFL C	FL325	20	120		"
		Feb 87	May 87	Apr 87	
SFL C	FL200	30	6,408	47	6,908
SFL C	FL205	129	30	43	8,30
SFL C	FL210	23	0,30	220	2,30
SFL C	FL215	—	—	3	5
SFL C	FL220	—	—	10	3,20
SFL P	FL200	—	—	10	0,50
SFL P	FL205	157	0,10	14	1,10
SFL P	FL210	159	0,70	39	2,50
SFL P	FL215	20	9	25	2,50
		Jun 87	Seq 87	Dec 87	
SFL C	FL200	—	3	10,80	3
SFL C	FL210	75	4,60	8	11,80
SFL C	FL215	14	3	10	5,80
SFL C	FL220	40	2	4,40	10
		Apr 87	Jul 87	Oct 87	
ABN C	FL520	100	14	2	26
ABN P	FL525	36	1	25	27
AEGON C	FL585	177	2,80	2	4,40
AEGON P	FL590	154	2,50	104	6
C P P P	FL595	188	0	174	5,40
AMOLD C	FL105	265	3	22	6
AMOLD P	FL140	257	2,50	223	4,50
AKOZ C	FL520	29	2,50	99	7,10
AKOZ P	FL525	39	2,50	93	9,30
		FL513			
		FL585			
		FL108.70			
		FL121			

[illegible]

	A=Ask	B=Bid	C=Call	P=Put
BASE LENDING				
ABN Bank	11			
Acorn & Company	11			
Charterhouse Bank	11			
Citibank NA	11			
Morgan Grenfell	11			
West Credit Corp. Ltd.	11			

Allied Arab Bk Ltd	11	Citibank Savings	112.45	Nat Bk of Kuwait	11
Allied Dunbar & Co	11	City Merchants Bk	11	National Girobank	11
Allied Irish Trs Co	11	Clydesdale Bank	11	Nat Westminster	11
American Exp. Bk	11	Commerz. Bk. of West	11	Northern Trs Bank Ltd	11
Auro Bank	11	Comptoir d'Escompte	11	Norwich Gene. Trs. Ltd	11
Henry Androsch	11	Co-operative Bank	11	PK Finance, Int'l (UK)	11
ANZ Banking Group	11	Cyprus Popular Bk	11	Principals' Trust Ltd	11.2
Associates Cap Corp	11	Duncan Leaver	11	R. Raphael & Sons	11
Autority & Co Ltd	11.2	E. T. Trust	12	Redburns & Fraser	11.2

Bank of America	11	Equifax I, II & III	11	Morgan Bank Scotland	11
Bank Hapoalim	11	Early Trust Ltd.	11½	Royal Trust Bank	11
Bank Leumi (UK)	11	Financial & Gen. Sec.	11	Standard Chartered	11
Bank Credit & Comm.	11	First Nat. Fin. Corp.	11½	Trustee Savings Bk	11
Bank of Cyprus	11	First Nat. Sec. Ltd.	11½	UDT Mortgage Emp.	712.25

Bank of Ireland	11	● Robert Fleming & Co	11	United Bk of Kuwait	11
Bank of India	11	● Robert Fraser & Phipps	12	United Nations Bank	11
Bank of Montreal	11	● Grimsley Bank	211	Western Bank Corp	11
Barque Belge Ltd	11	● Guinness Mahon	11	Windsor Ladlow	11 1/2
Barclays Bank	11	● HFC Trust & Savings	11	Yaroslavl Bank	11
Barclays Bank plc	11	● Hamburg Bank	11		
Bankers Trust Co	11	● Herlihy & Co. Inc.	11	Members of the Accounting	
Beaufort Trust Ltd	11	● Hirsch & Co.	11	● 7-10y	
Benelux Bank AG	11	● H.M. Samsel	11 1/2	deposits 6.69%, 1-month 7.01%,	
Bent. Bk. of East. Ind.	11	● C. Hoare & Co	11	Top 10m - 4.50% at 3 months	
Bentley Shipley	11	● Hongkong & Shanghai	11	medium 10.00% At call 10.00%	
BNP Paribas	11	● Liens Bank	11	CLIO,000 - 10.00% deposited	
CL Bank Nederland	11	● Macquarie Bank	11	6-12 month 10.00% 12 month	
Canada Permanent	11	● Massey & Sons Ltd	11	6 1/2-9% 9% 10.00% 10.00%	
Cayman Ltd	11	● Messager & Sons Ltd	11	6 1/2-9% 9% 10.00% 10.00%	
Czech Holdings	11	● Mitsui Bank	11	6 1/2-9% 9% 10.00% 10.00%	

ഇന്ത്യയിലെ മറ്റൊരു പ്രമുഖ ഹിന്ദു മതപണ്ഡിതനും സാമൂഹിക പ്രവർത്തകനും ആയിരുന്നു അദ്ദേഹം.

February, 1987

INDUSTRIES LTD.
 (Incorporated in Japan)
 (Authorized under the laws of Japan)
000,000
 1992 WITH WARRANTS TO SUBSCRIBE FOR
 FURITA WATER INDUSTRIES LTD.
 (Incorporated in Japan)
 (Authorized under the laws of Japan)
Bank, Limited
 (Incorporated in Japan)

100 PER CENT.

Co., (Europe) Ltd.

ational Limited

Berliner Handels- und Frankfurter Bank

Credit Suisse First Boston Limited

Daiwa Europe Limited

Kyowa Bank Nederland N.V.

Marusan Europe Limited

Salomon Brothers International Limited

Salomon Brothers International Limited
Swiss Bank Corporation International Limited
Union Bank of Switzerland (Securities) Limited

.....

AMERICANS—GO!
 Price .45 or 50c 1 Yr.

DRAPERY & STORES—

			+ 67	DIV		YR
--	--	--	------	-----	--	----

INDUSTRIALS—Continued

MINES—Continued[illegible]

bruary 19 4

[illegible]

444,445,446,447,448,449,450,451,452,453,454,455,456,457,458,459,460,461,462,463,464,465,466,467,468,469,470,471,472,473,474,475,476,477,478,479,480,481,482,483,484,485,486,487,488,489,490,491,492,493,494,495,496,497,498,499,500,501,502,503,504,505,506,507,508,509,510,511,512,513,514,515,516,517,518,519,520,521,522,523,524,525,526,527,528,529,530,531,532,533,534,535,536,537,538,539,540,541,542,543,544,545,546,547,548,549,550,551,552,553,554,555,556,557,558,559,560,561,562,563,564,565,566,567,568,569,570,571,572,573,574,575,576,577,578,579,580,581,582,583,584,585,586,587,588,589,590,591,592,593,594,595,596,597,598,599,600,601,602,603,604,605,606,607,608,609,610,611,612,613,614,615,616,617,618,619,620,621,622,623,624,625,626,627,628,629,630,631,632,633,634,635,636,637,638,639,640,641,642,643,644,645,646,647,648,649,650,651,652,653,654,655,656,657,658,659,660,661,662,663,664,665,666,667,668,669,670,671,672,673,674,675,676,677,678,679,680,681,682,683,684,685,686,687,688,689,690,691,692,693,694,695,696,697,698,699,700,701,702,703,704,705,706,707,708,709,710,711,712,713,714,715,716,717,718,719,720,721,722,723,724,725,726,727,728,729,730,731,732,733,734,735,736,737,738,739,740,741,742,743,744,745,746,747,748,749,750,751,752,753,754,755,756,757,758,759,760,761,762,763,764,765,766,767,768,769,770,771,772,773,774,775,776,777,778,779,780,781,782,783,784,785,786,787,788,789,790,791,792,793,794,795,796,797,798,799,800,801,802,803,804,805,806,807,808,809,810,811,812,813,814,815,816,817,818,819,820,821,822,823,824,825,826,827,828,829,830,831,832,833,834,835,836,837,838,839,840,841,842,843,844,845,846,847,848,849,850,851,852,853,854,855,856,857,858,859,860,861,862,863,864,865,866,867,868,869,870,871,872,873,874,875,876,877,878,879,880,881,882,883,884,885,886,887,888,889,890,891,892,893,894,895,896,897,898,899,900,901,902,903,904,905,906,907,908,909,910,911,912,913,914,915,916,917,918,919,920,921,922,923,924,925,926,927,928,929,930,931,932,933,934,935,936,937,938,939,940,941,942,943,944,945,946,947,948,949,950,951,952,953,954,955,956,957,958,959,960,961,962,963,964,965,966,967,968,969,970,971,972,973,974,975,976,977,978,979,980,981,982,983,984,985,986,987,988,989,990,991,992,993,994,995,996,997,998,999,1000

MONTREAL
Closing prices February 18

Indices

JOR STOCKS

STERDAI

BY ANDREW WHITLEY IN TEL AVIV

LONDON Chief price changes
for various commodities indicated

STAYING IN LYON?

In most of HELSINKI and parts of ESPOO you

FINANCIAL TIMES

hand-delivered to your office.

For details of subscription rates and to check

If personal delivery covers your area contact

Peter Sörensen, Tel: (90) 6940417

CANNES/GRENOBLE/LYON/MONACO/
NICE/PARIS/STRAZBOURG/TOULOUSE

HAND DELIVERY SERVICE

to your office in the centre of any of the cities listed above.
For details contact: Ben Hughes. Tel: 01 4297 0630. Telex: 220

[illegible]

[illegible]

Continued on Page 35

کتابخانه ملی ایران

[illegible][illegible][illegible]

Continued on Page 33

WORLD STOCK MARKETS

Foreign impetus fades under profit-taking

Two large companies reported yesterday a return to profits in the fourth quarter. ITT, the diversified industrial and financial group, slipped 5% to \$63 and B.F. Goodrich, the rubber and tires maker, added \$1 to \$53.

UAL fell 5% to \$58½ and Trans World Airways lost 5% to \$23½. They said they would back Ameri-

France has had rules against insider trading since 1967, extended in 1983 to provide for prison sentences of up to two years and fines of up to FFr 5m (\$825,000), but the COB has often had difficulty in winning its cases before the courts.

Steels attract heaviest demand in fresh surge

Nippon Telegraph & Telephone hit another high of ¥195m. This helped increase buying of **Japan Air Lines**, whose government-held shares will be sold in autumn, and sent it up by ¥600 to ¥15,100.

Institutional investors continued to stay away from the bond market.

SINGAPORE

THE BULLS returned to the market yesterday after only a one-day sell-off, buying blue chips and pushing the Straits Times industrial index to its highest level in three years.

HKS14.40 Respectively
Cathay Pacific was off 5 cents at
HKS6.30 in advance of an an-
nouncement by Financial Secretary
Piers Jacobs that the colony's policy
of having only one domestic airline
on each air route would continue - a
decision to Cathay's benefit.

Brussels peaks again as local factors dominate

Paris turned weaker on expectations of poor inflation data for January and a softer industrial performance.

Oslo edged ahead on sharply higher volume while Madrid gained ground in active trading.

The mining group was discussing the three-month-old strike at its Horne copper division in Quebec with union representatives and government arbitrators.

Leading banks were easier in active trading, with Nova Scotia down 1% at C\$21 1/2,

Montreal was slightly firmer, with major stock groups all in tow.

Veal Reefs lost R8.50 to R358 while Buffelsfontein and Driefontein each fell back R2 to R74 and R71 respectively.

Mining financials and most other mining shares were steady or low-

US Federal Funds Market

Per cent

End of month figures

15

10

5

1982 1983 1984 1985 1986 1987

CURRENCIES (London)				US BONDS			
US DOLLAR		STERLING		Treasury			
	Feb 18 Previous	Feb 18 Previous			Price 18 ¹	Yield	Prev
\$			£				
Y	1.8286	1.8140	2.80	2.78	6% 1988	98 1/8%	6.415
DM	153.75	151.26	235.30	234.79	7% 1989	98 1/8%	7.10
FF	6.495	6.045	9.33	9.265	7% 1989	98 1/8%	7.286
SFr	1.5470	1.5310	2.37	2.345	7% 2016	98 1/8%	7.851
¥	2.0885	2.0598	3.1675	3.14	Source: Harris Trust Savings Bank		
₡	1.302	1.29350	1.89450	1.877	Treasury Index:		
₢	37.82	37.55	58.15	57.95	February 18		
₣	1.2310	1.2295	2.040	2.0355	Maturity	Return	Day's
					(years)	index	change
					1-30	191.74	+0.02
					1-3	143.58	+0.03
					3-12	158.78	+0.04
					15-30	190.11	-0.01
					Source: Merrill Lynch		
INTEREST RATES				Corporate			
	10 1/8%	10%	Prev		Price 18 ¹	Yield	Prev
Euro-currency (3-months offered rate)							
SPF	3 1/8%	3 1/8%					
DM	4 1/8%	4 1/8%					
SFr	8%	8 1/8%					
FF Local Interbank (3-month offered rate)							
3-month US\$	6%	6 1/8%					
6-month US\$	6 1/4%	6 1/8%					
US Fed Funds	6 1/4%	6 1/8%					
US 3-month T-bills	5 1/2%	5.525					
US 3-month T-bds	5.595*	5.85					
FINANCIAL FUTURES				ABT & T 3 1/2 %			
CHICAGO					93.20	6.15	92.34
US Treasury Bonds (CBT)				SCGT Subordinated	107.93	9.34	1.10
March 91	92.25	100%		(uch)	105.75	9.58	
Feb 18	Lined		Low	Philbro 3 1/2 % April 1989		8.40	8.16
March	92.18	92.24	98.10	TRW 8 1/2 % March 1989		8.80	
US Treasury Bills (BML)				(uch)	103.50	6.19	
\$1m points of 100%				Arco 9 1/2 % March 2016		11.50	9.78
March	94.28	94.32	94.27	(uch)	111.75		
Certificates of Deposit (BML)				General Motors 8 1/2 % April 2016		8.02	
\$1m points of 100%				(uch)	93.75	8.75	
March	93.92	93.82	93.82	Citicorp 9 1/2 % March 2016		10.50	9.23
Three-month Euro-dollar				(uch)	101.50		
\$1m points of 100%				Source: Salomon Brothers			
March	93.42	93.45	93.39	* Latest available figures			
20-year Notional Gilt							
£50,000 32nds of 100%							
March	117.05	117.14	116.24				

WHY IS GT THE NATURAL LEADER IN THIS VENTURE?

GT has many years of investment experience in European markets and were among the first to spot the dramatic changes in the German market.

And the sooner you take advantage of it, by filling in and sending the coupon below, the sooner you could be watching your money grow.

Name _____
Address _____

☐ If you are a US citizen please tick the box.

GT Deutschland Fur